

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>GENOA TOWNSHIP</b>	County <b>LIVINGSTON</b>
Audit Date <b>6/30/04</b>	Opinion Date <b>11/1/04</b>	Date Accountant Report Submitted to State: <b>12/22/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

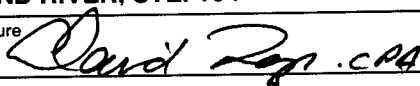
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, and the accompanying comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>PFEFFER, HANNIFORD &amp; PALKA, P.C.</b>			
Street Address <b>225 E. GRAND RIVER, STE. 104</b>		City <b>BRIGHTON</b>	State <b>MI</b>
Accountant Signature 		ZIP <b>48116</b>	Date <b>12/22/04</b>

**GENOA TOWNSHIP**

**TOWNSHIP OFFICIALS**

Supervisor - Gary McCririe  
Clerk - Paulette Skolarus  
Treasurer - Robin Hunt

**BOARD OF TRUSTEES**

Anthony Combs  
Robin Hunt  
James Mortensen  
Jean Ledford  
Gary McCririe  
Paulette Skolarus  
Todd Smith

**MANAGER**

Michael Archinal

**TOWNSHIP ATTORNEY**

Richard Heikkinen

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PHP**

**PFEFFER • HANNIFORD • PALKA**  
Certified Public Accountants

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**Members:**

AICPA Private Practice Companies Section  
MACPA

November 1, 2004

Board of Trustees  
Genoa Township  
2911 Dorr Road  
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genoa Township, as of and for the year ended June 30, 2004, which collectively comprise the Genoa Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Genoa Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genoa Township, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The Management's Discussion and Analysis and other required supplementary information on pages 10 through 16 and 53 through 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genoa Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants



MANAGEMENT DISCUSSION  
AND  
ANALYSIS

Management Discussion and Analysis  
June 30, 2004

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Within this section of Genoa Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2004. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Proprietary funds* are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

#### **Notes to the financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

#### **Financial Analysis of the Township as a Whole**

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year were \$31,267,941. This is a \$1,305,293 increase over last year's net assets of \$29,934,485 before including a prior period adjustment of \$28,163 to the Township's enterprise funds.

The following tables provide a summary of the Township's financial activities and changes in net assets:

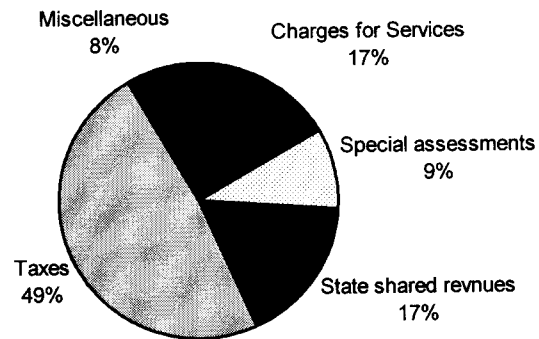
**Summary of Net Assets  
UNDER GASB 34**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 24,079,219	\$ 10,920,745	\$ 34,999,964
Capital assets	2,264,819	16,056,770	18,321,589
Total assets	<u>26,344,038</u>	<u>26,977,515</u>	<u>53,321,553</u>
Other liabilities	521,223	150,503	671,726
Long-term liabilities	13,058,926	8,322,960	21,381,886
Total liabilities	<u>13,580,149</u>	<u>8,473,463</u>	<u>22,053,612</u>
Net assets:			
Invested in capital assets, net of related debt	2,545,731	8,151,770	10,697,501
Unrestricted	10,218,158	10,352,282	20,570,440
Total net assets	<u>\$ 12,763,889</u>	<u>\$ 18,504,052</u>	<u>\$ 31,267,941</u>

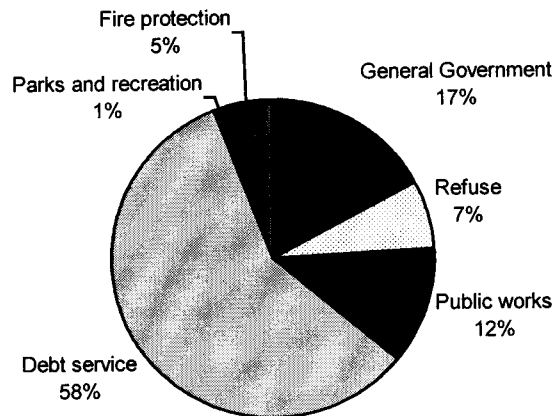
**Summary of Changes in Net Assets  
UNDER GASB 34**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ 1,203,278	\$ 1,170,174	\$ 2,373,452
Operating grants and contributions	1,876,502		1,876,502
Capital grants and contributions	34,300	368,896	403,196
General revenues			-
State shared revenues	1,061,157		1,061,157
Property taxes	813,556		813,556
Interest	832,248	449,432	1,281,680
Other	268,084		268,084
<b>Total revenues</b>	<u>6,089,125</u>	<u>1,988,502</u>	<u>8,077,627</u>
Expenses			
General government	2,369,534		2,369,534
Public safety	424,509		424,509
Parks and recreation	106,511		106,511
Public works	1,155,427		1,155,427
Interest on long-term debt	665,658		665,658
Water and sewer systems		2,050,695	2,050,695
<b>Total expenses</b>	<u>4,721,639</u>	<u>2,050,695</u>	<u>6,772,334</u>
Changes in net assets	1,367,486	(62,193)	1,305,293
Beginning net assets	11,396,403	18,538,082	29,934,485
Prior period adjustment		28,163	28,163
Ending net assets	<u>\$ 12,763,889</u>	<u>\$ 18,504,052</u>	<u>\$ 31,267,941</u>

## Governmental Revenues Under Fund Accounting



## Governmental Expenditures



This year the Township saw a significant drop of cash and cash equivalents in the governmental funds due to the refunding of two bond issues. In order to capitalize on the economy's lower interest rates, these bonds were refunded and available cash was spent to lower the amount to be financed.

Also, the governmental funds made significant capital expenditures to purchase new office equipment and provide landscaping for the new fire hall. Total expenditures for capital purchases were \$115,072.

Revenues exceeded expenses in the governmental funds by \$1,367,486. Included in that amount was \$335,216 of special assessments levied during the year. Special assessments are income as they are levied, and not necessarily having the related expenses being recorded in the same fiscal year.

The business-type funds reported a net loss of \$62,193 as opposed to the prior year net income of \$260,797. This is primarily due to the lack of connection fees in the current year. Connection fees were \$368,896 for the year ended June 30, 2004 as opposed to \$682,870 in the prior fiscal year. The drop in connection fees was primarily due to substantial developments in the prior fiscal year.

#### Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$424,834 before its net transfers of \$774,160 were made. Thus, the Township's fund balance decreased \$349,326 for the fiscal year ended June 30, 2004. There were substantial increases in both revenues and expenditures related to the administration portion of related utility systems.

Two major governmental funds, Tri-Lakes Road and Grand River Water Debt Service Funds, issued refunding bonds in the current year. To reduce amount of principal refinanced, these funds used available cash as part of the repayment.

The Township's two major business-type funds, Oak Pointe and Lake Edgewood, each had operating losses. This has been consistent with prior years' activities, but has had offsetting connection fees to counteract these losses.

#### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$72,887. Expenditures are budgeted by line item, and several of these line items exceeded budgeted appropriations. The budget was amended during the year to account for various utility administration activities and the operating transfer in from the Future Development Fire Fund totaling \$115,000.

#### Capital Asset and Debt Administration

The governmental funds of the Township purchased \$115,072 of new capital assets this year. This included \$64,817 of fire hall landscaping and \$50,255 of electronic equipment.

The governmental funds issued \$1,555,000 of refunding bonds during the year to refinance previously outstanding debt. Total principal payments of \$4,993,613 were made during the year. Of that total, \$3,500,000 of principal paid was due to the refunding of these bonds.

The business-type activities began a construction project in the Oak Pointe Water and Sewer System fund for system improvements. Total spent to date on the project by June 30, 2004 was \$140,816.

The business-type activities also issued refunding bonds totaling \$675,000 while repaying principal of \$2,090,000.

### Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. This reduction in revenue should be offset by the end of the Township's commitment to the construction of a fire hall as part of its participation in the Brighton Area Fire Authority.

The Township is also continuing its expansion at the Oak Pointe water and sewer plant. It is expected to be complete by the next fiscal year.

### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Genoa Township at 2911 Dorr Road, Brighton, MI 48116.



BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL  
STATEMENTS

GENOA TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 14,091,325	\$ 322,488	\$ 14,413,813
Cash and cash equivalents - restricted		3,670,962	3,670,962
Investments - restricted		58,140	58,140
Receivable			
Taxes	10,236		10,236
State shared revenues	351,398		351,398
Accounts	288,375	380,120	668,495
Special assessments - restricted	8,775,975	6,265,435	15,041,410
Contract - restricted		223,600	223,600
Prepaid expenditures	18,678		18,678
Capital assets:			
Land	180,000	617,864	797,864
Buildings and improvements	2,785,299		2,785,299
Water and sewer systems		19,216,289	19,216,289
Machinery and equipment	271,616		271,616
Construction in progress		140,816	140,816
Less accumulated depreciation	(428,864)	(3,918,199)	(4,347,063)
Total assets	<u>26,344,038</u>	<u>26,977,515</u>	<u>53,321,553</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	179,422	150,503	329,925
Accrued liabilities	29,912		29,912
Deferred revenues	311,889		311,889
Contracts payable	3,152,720	4,992,960	8,145,680
Bonds payable	<u>9,906,206</u>	<u>3,330,000</u>	<u>13,236,206</u>
Total liabilities	<u>13,580,149</u>	<u>8,473,463</u>	<u>22,053,612</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	2,545,731	8,151,770	10,697,501
Unrestricted	<u>10,218,158</u>	<u>10,352,282</u>	<u>20,570,440</u>
Total net assets	<u>\$ 12,763,889</u>	<u>\$ 18,504,052</u>	<u>\$ 31,267,941</u>

The notes are an integral part of the financial statements.

GENOA TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities				
General government	\$ (2,369,534)	\$ 1,203,278	\$	\$ 34,300
Fire protection	(424,509)			
Parks and recreation	(106,511)			
Public works	(1,155,427)		1,876,502	
Interest on long-term debt	(665,658)			
Total governmental activities	<u>(4,721,639)</u>	<u>1,203,278</u>	<u>1,876,502</u>	<u>34,300</u>
Business-type activities				
Water and sewer systems	<u>(2,050,695)</u>	<u>1,170,174</u>		<u>368,896</u>
Total	<u>\$ (6,772,334)</u>	<u>\$ 2,373,452</u>	<u>\$ 1,876,502</u>	<u>\$ 403,196</u>

General revenues  
Property taxes  
State shared revenues  
Interest income  
Franchise fees  
Other income  
  
Total general revenues  
  
Changes in net assets  
  
Net assets, July 1, 2003  
  
Prior period adjustment  
  
Net assets, June 30, 2004

The notes are an integral part of the financial statements.

Net (Expenses) Revenue and Changes		
Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (1,131,956)	\$	\$ (1,131,956)
(424,509)		(424,509)
(106,511)		(106,511)
721,075		721,075
<u>(665,658)</u>		<u>(665,658)</u>
<u>(1,607,559)</u>		<u>(1,607,559)</u>
	<u>(511,625)</u>	<u>(511,625)</u>
813,556		813,556
1,061,157		1,061,157
832,248	449,432	1,281,680
174,421		174,421
<u>93,663</u>		<u>93,633</u>
<u>2,975,045</u>	<u>449,432</u>	<u>3,424,477</u>
1,367,486	(62,193)	1,305,293
11,396,403	18,538,082	29,934,485
	<u>28,163</u>	<u>28,163</u>
<u>\$ 12,763,889</u>	<u>\$ 18,504,052</u>	<u>\$ 31,267,941</u>

FUND  
FINANCIAL  
STATEMENTS

GENOA TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

	<u>General</u>	<u>Tri-Lakes Road Debt Service Fund</u>	<u>Genoa- Oceola Phase I Debt Service Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,190,607	\$ 20,367	\$ 374,156	\$ 663,062	\$ 42,544
Receivables					
Special assessments		562,888	1,119,051	1,380,344	1,141,398
Taxes	10,236				
State shared revenues	351,398				
Accounts	78,874				
Due from other funds	26,482				
Prepaid expenditures	<u>18,678</u>				
Total assets	<u>\$ 1,676,275</u>	<u>\$ 583,255</u>	<u>\$ 1,493,207</u>	<u>\$ 2,043,406</u>	<u>\$ 1,183,942</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 168,291	\$	\$	\$	\$
Accrued wages and absences	29,911				
Due to others					
Due to other funds	8,504				
Deferred revenues	<u>311,889</u>	<u>562,888</u>	<u>1,119,051</u>	<u>1,380,344</u>	<u>1,141,398</u>
Total liabilities	<u>518,595</u>	<u>562,888</u>	<u>1,119,051</u>	<u>1,380,344</u>	<u>1,141,398</u>
Fund Balances					
Unreserved	1,157,680				
Designated					
Reserved for debt service		20,367	374,156	663,062	42,544
Reserved for utility systems					
Total fund balances	<u>1,157,680</u>	<u>20,367</u>	<u>374,156</u>	<u>663,062</u>	<u>42,544</u>
Total liabilities and fund balance	<u>\$ 1,676,275</u>	<u>\$ 583,255</u>	<u>\$ 1,493,207</u>	<u>\$ 2,043,406</u>	<u>\$ 1,183,942</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Grand River Water New User Capital Project Fund</u>	<u>Genoa- Oceola Phase I Sewer New User Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 80,680	\$ 202,788	\$ 2,142,906	\$ 1,467,445	\$ 7,906,770	\$ 14,091,325
974,041	2,472,035			1,126,218	8,775,975
					10,236
					351,398
		150,000	31,000		259,874
				2,019	28,501
					18,678
<u>\$ 1,054,721</u>	<u>\$ 2,674,823</u>	<u>\$ 2,292,906</u>	<u>\$ 1,498,445</u>	<u>\$ 9,035,007</u>	<u>\$ 23,535,987</u>
\$	\$	\$	\$	\$	\$ 168,291
					29,911
		1,688	938		11,130
<u>974,041</u>	<u>2,472,035</u>			<u>1,126,218</u>	<u>9,087,864</u>
<u>974,041</u>	<u>2,472,035</u>	<u>1,688</u>	<u>938</u>	<u>1,126,218</u>	<u>9,297,196</u>
				2,391,221	3,548,901
		2,291,218		12,074	2,303,292
80,680	202,788			3,689,072	5,072,669
			1,497,507	1,816,422	3,313,929
<u>80,680</u>	<u>202,788</u>	<u>2,291,218</u>	<u>1,497,507</u>	<u>7,908,789</u>	<u>14,238,791</u>
<u>\$ 1,054,721</u>	<u>\$ 2,674,823</u>	<u>\$ 2,292,906</u>	<u>\$ 1,498,445</u>	<u>\$ 9,035,007</u>	<u>\$ 23,535,987</u>



GENOA TOWNSHIP  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
JUNE 30, 2004

Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Total fund balance per balance sheet		\$ 14,238,791
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 3,236,915	
Depreciation	<u>(428,864)</u>	
Capital assets net of depreciation		2,808,051
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(3,152,721)	
Bonds payable	<u>(9,906,207)</u>	
Total		(13,058,928)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>8,775,975</u>
Net assets of governmental activities		<u>\$ 12,763,889</u>

The notes are an integral part of the financial statements

GENOA TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Tri-Lakes Road Debt Service Fund</u>	<u>Genoa- Oceola Phase I Debt Service Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
<b>REVENUES</b>					
Taxes	\$ 813,556	\$ 112,443	\$ 362,244	\$ 262,681	\$ 220,816
Special assessments					
State shared revenues	1,051,560				
Licenses and permits	44,955				
Grant - federal					
Connection fees					
Rental income	2,400				
Franchise fees	174,421				
Charges for services	1,158,323				
Interest	61,891	3,300	2,490	3,174	23,866
Miscellaneous	86,193		370		
<b>Total revenues</b>	<u>3,393,299</u>	<u>115,743</u>	<u>365,104</u>	<u>265,855</u>	<u>244,682</u>
<b>EXPENDITURES</b>					
General government	2,338,596				
Fire protection					
Police protection					
Parks and recreation	86,596				
Public works	293,845				
Debt service	249,428	1,013,880	398,439	285,627	2,840,744
<b>Total expenditures</b>	<u>2,968,465</u>	<u>1,013,880</u>	<u>398,439</u>	<u>285,627</u>	<u>2,840,744</u>
<b>Excess of revenues over (under) expenditures</b>	<u>424,834</u>	<u>(898,137)</u>	<u>(33,335)</u>	<u>(19,772)</u>	<u>(2,596,062)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds		490,000			1,065,000
Transfers in	133,366				
Transfers (out)	(907,526)				
<b>Total other financing sources (uses)</b>	<u>(774,160)</u>	<u>490,000</u>			<u>1,065,000</u>
<b>Excess of revenues over (under) expenditures and other financing sources (uses)</b>	<u>(349,326)</u>	<u>(408,137)</u>	<u>(33,335)</u>	<u>(19,772)</u>	<u>(1,531,062)</u>
<b>FUND BALANCE, JULY 1, 2003</b>	<u>1,507,006</u>	<u>428,504</u>	<u>407,491</u>	<u>682,834</u>	<u>1,573,606</u>
<b>FUND BALANCE, JUNE 30, 2004</b>	<u>\$ 1,157,680</u>	<u>\$ 20,367</u>	<u>\$ 374,156</u>	<u>\$ 663,062</u>	<u>\$ 42,544</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Grand River Water New User Capital Project Fund</u>	<u>Genoa- Oceola Phase I Sewer New User Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 131,154	\$ 345,304	\$	\$	\$ 259,335	\$ 813,556
				9,597	1,693,977
					1,061,157
					44,955
				34,300	34,300
		659,058	649,140	233,088	1,541,286
					2,400
					174,421
					1,158,323
656	1,107	27,208	36,627	101,984	262,303
				4,700	91,263
<u>131,810</u>	<u>346,411</u>	<u>686,266</u>	<u>685,767</u>	<u>643,004</u>	<u>6,877,941</u>
				10,215	2,348,811
				466,765	466,765
				13,915	100,511
		609,133	5,624	246,825	1,155,427
<u>143,544</u>	<u>333,268</u>		<u>37,077</u>	<u>357,263</u>	<u>5,659,270</u>
<u>143,544</u>	<u>333,268</u>	<u>609,133</u>	<u>42,701</u>	<u>1,094,983</u>	<u>9,730,784</u>
<u>(11,734)</u>	<u>13,143</u>	<u>77,133</u>	<u>643,066</u>	<u>(451,979)</u>	<u>(2,852,843)</u>
					1,555,000
				3,207,525	3,340,891
			(2,300,000)	(133,365)	(3,340,891)
			(2,300,000)	3,074,160	1,555,000
(11,734)	13,143	77,133	(1,656,934)	2,622,181	(1,297,843)
<u>92,414</u>	<u>189,645</u>	<u>2,214,085</u>	<u>3,154,441</u>	<u>5,286,608</u>	<u>15,536,634</u>
<u>\$ 80,680</u>	<u>\$ 202,788</u>	<u>\$ 2,291,218</u>	<u>\$ 1,497,507</u>	<u>\$ 7,908,789</u>	<u>\$ 14,238,791</u>

GENOA TOWNSHIP  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ (1,297,843)
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 115,072	
Depreciation expense	<u>(99,539)</u>	
Total		15,533

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:		
Bonds payable	613,744	
Contracts payable	<u>4,379,868</u>	
Total		4,993,612

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Activities.	(1,555,000)
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Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Special assessments levied	335,216	
Principal collected on assessments	<u>(1,124,032)</u>	
Total		<u>(788,816)</u>

Change in net assets of governmental activities	<u>\$ 1,367,486</u>
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The notes are an integral part of the financial statements.

GENOA TOWNSHIP  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2004

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 32,946	\$ 103,234	\$ 186,308	\$ 322,488
Accounts receivable	191,246	121,486	58,243	370,975
Due from other funds	4,460	2,117	2,568	9,145
Total current assets	228,652	226,837	247,119	702,608
RESTRICTED ASSETS				
Cash and cash equivalents	2,013,999	1,480,603	176,360	3,670,962
Investments	58,140			58,140
Special assessments	2,070,857	3,900,612	293,966	6,265,435
Contract receivable - City of Brighton		223,600		223,600
Total restricted assets	4,142,996	5,604,815	470,326	10,218,137
CAPITAL ASSETS				
Land	358,855	259,009		617,864
Water and sewer systems	11,768,040	7,448,249		19,216,289
Construction in progress	140,816			140,816
	12,267,711	7,707,258		19,974,969
Less accumulated depreciation	(2,960,997)	(957,202)		(3,918,199)
Capital assets, net	9,306,714	6,750,056		16,056,770
Total assets	13,678,362	12,581,708	717,445	26,977,515
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 28,504	\$ 20,522	\$ 74,985	\$ 124,011
Due to other funds	20,524	3,047	2,921	26,492
Total current liabilities	49,028	23,569	77,906	150,503
CURRENT LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable, current portion		290,000	69,660	359,660
Bonds payable, current portion	290,000	125,000		415,000
Total current liabilities (from restricted assets)	290,000	415,000	69,660	774,660
LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable		4,285,000	348,300	4,633,300
Bonds payable	2,155,000	760,000		2,915,000
Total long-term liabilities	2,155,000	5,045,000	348,300	7,548,300
Total liabilities	2,494,028	5,483,569	495,866	8,473,463
<u>NET ASSETS</u>				
NET ASSETS				
Invested in capital assets, net of related debt	6,861,714	1,290,056		8,151,770
Unrestricted	4,322,620	5,808,083	221,579	10,352,282
Total net assets	\$ 11,184,334	\$ 7,098,139	\$ 221,579	\$ 18,504,052

The notes are an integral part of the financial statements.

GENOA TOWNSHIP  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
OPERATING REVENUES				
User charges	\$ 614,571	\$ 316,203	\$ 239,400	\$ 1,170,174
OPERATING EXPENSES				
Water and sewer usage		76,034	182,860	258,894
Repairs, maintenance and supplies	127,015	31,890	333	159,238
Contracted labor	225,463	101,295		326,758
Out of scope - contract labor	15,214	2,361		17,575
Utilities and telephone	83,501	41,740		125,241
Administration	37,546	11,102	10,488	59,136
Professional fees	34,784	17,665	950	53,399
Groundwater exceedence	22,194	16,771		38,965
Insurance	10,911	2,885		13,796
Miscellaneous			65	65
Depreciation	286,959	150,212		437,171
Meter reading	17,860	3,755	4,517	26,132
Total operating expenses	861,447	455,710	199,213	1,516,370
Operating income (loss)	(246,876)	(139,507)	40,187	(346,196)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees	174,199	194,697		368,896
Interest income - special assessments	113,183	305,018	2,546	420,747
Interest income - reserved accounts	23,138			23,138
Interest income - general	1,843	2,175	1,529	5,547
Interest expense - bonds	(182,174)	(324,904)		(507,078)
Other revenue (expense), net	(29,431)	(383)	2,567	(27,247)
Total non-operating revenues and (expenses)	100,758	176,603	6,642	284,003
Net income (loss)	(146,118)	37,096	46,829	(62,193)
NET ASSETS JULY 1, 2003	11,330,452	7,032,880	174,750	18,538,082
PRIOR PERIOD ADJUSTMENT		28,163		28,163
NET ASSETS JUNE 30, 2004	\$ 11,184,334	\$ 7,098,139	\$ 221,579	\$ 18,504,052

The notes are an integral part of the financial statements.

GENOA TOWNSHIP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 814,117	\$ 471,844	\$ 203,017	\$ 1,488,978
Payments to vendors	(631,924)	(279,830)	(124,599)	(1,036,353)
Net cash from operating activities	182,193	192,014	78,418	452,625
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from bond	675,000			675,000
Repayment of principal on bonds	(1,685,000)	(405,000)		(2,090,000)
Special assessment collections	308,298	336,374	66,842	711,514
Collections City of Brighton - contract receivables		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	136,321	305,018	2,546	443,885
Interest paid on bonds	(182,174)	(324,904)		(507,078)
Bond issuance costs	(30,064)			(30,064)
Net cash (used in) capital and related financing activities	(777,619)	(71,312)	(272)	(849,203)
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>				
Interest received from operating	1,843	2,175	1,529	5,547
Other revenue (expense), net	633			633
Proceeds from investments	99,918			99,918
Additions to system	(140,816)			(140,816)
Net cash from (used in) investing activities	(38,422)	2,175	1,529	(34,718)
Net increase in cash and cash equivalents	(633,848)	122,877	79,675	(431,296)
<b>CASH AND CASH EQUIVALENTS AT JULY 1, 2003</b>	<u>2,680,793</u>	<u>1,460,960</u>	<u>282,993</u>	<u>4,424,746</u>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 2004</b>	<u>\$ 2,046,945</u>	<u>\$ 1,583,837</u>	<u>\$ 362,668</u>	<u>\$ 3,993,450</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (246,876)	\$ (139,507)	\$ 40,187	\$ (346,196)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities				
Depreciation expense	286,959	150,212		437,171
Connection fees	174,199	194,697		368,896
Other income (expense)		(383)	2,567	2,184
Changes in assets and liabilities				
Receivables, net	(39,514)	(39,056)	(38,950)	(117,520)
Prepaid expenses	18,541	8,329		26,870
Accounts and other payables	(11,116)	17,722	74,614	81,220
Net cash from operating activities	<u>\$ 182,193</u>	<u>\$ 192,014</u>	<u>\$ 78,418</u>	<u>\$ 452,625</u>

The notes are an integral part of the financial statements.

NOTES  
TO  
THE  
FINANCIAL  
STATEMENTS



GENOA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

GENOA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tri-Lakes Road, Genoa-Oceola Phase I, Genoa-Oceola Phase II, Grand River Road, Grand River Water, and the Lake Edgewood West Water Debt Service Funds are all major governmental funds. These funds account for the collection of special assessments and payment of debt service for the debt issued to finance various utility system and road projects of the Township.

The Grand River Water New User and Genoa-Oceola Phase I Sewer New User Funds account for the collection of utility connection fees and operating contributions to area utility authorities.

The Township reports the following major enterprise funds.

Oak Pointe Water and Sewer System Fund accounts for the activity associated with operating the utility system at the Oak Pointe development.

The Lake Edgewood Water and Sewer Fund accounts for the activities associated with operating the utility system at the Lake Edgewood development.

GENOA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

GENOA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

GENOA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2004, expenditures exceeded appropriations in several line items.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

For the year ended June 30, 2004, the Township recognized the property taxes levied December 1, 2003 as revenue.

Taxable Value:	\$ 855,479,137
Township Millage Rate:	.8317

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

G. INVESTMENTS

Investments are stated at lower of cost or market.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Genoa Township as the primary government have been included in the financial statements.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. Genoa-Oceola Sewer and Water Authority - Genoa Township appoints two members of the authority's four member board. The authority is fiscally independent from the township. The authority is audited as an independent entity in compliance with Public Act 2.
2. South Eastern Livingston County Recreation Authority - (SELCRA) - SELCRA is an interlocal agreement which includes the City of Brighton, Brighton Area Schools, Genoa Township and Brighton Township. SELCRA is a component unit of Brighton Area Schools and is included as part of its reporting entity.
3. Brighton Area District Library - This unit is an interlocal agreement between Brighton Township, City of Brighton and Genoa Township. A separate audit is conducted for this unit.
4. Southeast Michigan Council of Governments (SEMCOG) - SEMCOG is a regional organization of governments located in Livingston, Macomb and Monroe Counties. A separate audit is conducted for this unit.
5. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Genoa Township appoints two members of the Authority's eight member board. The authority is fiscally independent from the township. The Authority is audited as an independent entity in compliance with Public Act 2.
6. Brighton Area Fire Authority - Genoa Township appoints two members of the Authority's eight member board. The Authority was incorporated July 1, 2000 and is audited as an independent entity in compliance with Public Act 2.
7. Howell Area Fire Authority - Genoa Township appoints one member of the Authority's six member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The township maintains a \$200 imprest petty cash fund.

The township board has designated nine banks for the deposit of township funds. The investment policy adopted by the board is in accordance with Act 196 PA 1997.

The township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank/Broker Balance</u>
Insured (FDIC)	\$	\$ 638,006	\$ 638,006	\$ 638,006
Uninsured and uncollateralized	<u>324,559</u>	<u>17,504,709</u>	<u>17,829,268</u>	<u>18,198,032</u>
Total deposits	<u>\$ 324,559</u>	<u>\$ 18,142,715</u>	<u>\$ 18,467,274</u>	<u>\$ 18,836,038</u>



GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the governmental funds for the year ended June 30, 2004 was as follows:

	<u>Balance 7/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/04</u>
Land	\$ 180,000	\$	\$	\$ 180,000
Buildings and improvements	2,720,482	64,817		2,785,299
Machinery and equipment	<u>221,361</u>	<u>50,255</u>		<u>271,616</u>
Total capital assets	3,121,843	115,072		3,236,915
Accumulated depreciation	<u>(329,325)</u>	<u>(99,539)</u>		<u>(428,864)</u>
Governmental activities capital asset, net	<u>\$ 2,792,518</u>	<u>\$ 15,533</u>	<u>\$</u>	<u>\$ 2,808,051</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes that straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 93,539
Parks and recreation	<u>6,000</u>
	<u>\$ 99,539</u>
Net book value at June 30, 2004	\$ 2,808,051
Contract payable - fire station	<u>(262,320)</u>
Investment in capital asset, net of related debt	<u>\$ 2,545,731</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 4 - CAPITAL ASSETS - continued

A summary of proprietary fund type property and equipment as of June 30, 2004, is as follows:

OAK POINT WATER AND SEWER SYSTEMS				
	Balance 7/01/03	Additions	Deletions	Balance 6/30/04
Land	\$ 358,855	\$	\$	\$ 358,855
Water system	3,122,821			3,122,821
Sewer system	8,645,219			8,645,219
	<u>12,126,895</u>			<u>12,126,895</u>
Less accumulated depreciation	<u>(2,674,038)</u>	<u>(286,959)</u>		<u>(2,960,997)</u>
Total	<u>\$ 9,452,857</u>	<u>\$ (286,959)</u>	<u>\$</u>	<u>\$ 9,165,898</u>
Construction in Progress	<u>\$</u>	<u>\$ 140,816</u>	<u>\$</u>	<u>\$ 140,816</u>
LAKE EDGEWOOD SEWER SYSTEM				
	Balance 7/01/03	Additions	Deletions	Balance 6/30/04
Land	\$ 259,009	\$	\$	\$ 259,009
Sewer system	7,448,249			7,448,249
	<u>7,707,258</u>			<u>7,707,258</u>
Less accumulated depreciation	<u>(806,990)</u>	<u>(150,212)</u>		<u>(957,202)</u>
Total	<u>\$ 6,900,268</u>	<u>\$ (150,212)</u>	<u>\$</u>	<u>\$ 6,750,056</u>
TOTAL ALL ENTERPRISE FUNDS				
	Balance 7/01/03	Additions	Deletions	Balance 6/30/04
Land	\$ 617,864	\$	\$	\$ 617,864
Water and sewer systems	19,216,289			19,216,289
	<u>19,834,153</u>			<u>19,834,153</u>
Less accumulated depreciation	<u>(3,481,028)</u>	<u>(437,171)</u>		<u>(3,918,199)</u>
Total	<u>\$ 16,353,125</u>	<u>\$ (437,171)</u>	<u>\$</u>	<u>\$ 15,915,954</u>
Construction in progress	<u>\$</u>	<u>\$ 140,816</u>	<u>\$</u>	<u>\$ 140,816</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG-TERM DEBT

The following is a summary of the township's debt categorized for governmental and proprietary funds for the year ended June 30, 2004:

Governmental Fund Long-Term Debt - Contracts Payable

1. Payable to Livingston County Department of Public Works, Joint Water Treatment Plant construction; contract with Marion, Howell and Oceola Townships; principal is payable in annual installments of \$80,000 to \$113,750 starting June 1, 2003 to 2016, interest at 2.8% to 3.5% payable semi-annually.
2. Payable to First National Bank of Howell, new township hall, payable in quarterly installments of \$45,572 principal and interest, interest at 5.082% per annum, maturity date is October 4, 2008; loan is unsecured with the full faith and credit of the township.
3. Payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$56,304 to \$140,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
4. Payable to First National Bank of Howell, new fire station, payable in monthly installments of \$13,475 principal and interest, interest at 2.870% per annum, maturity date is June 1, 2008; loan is unsecured with the full faith and credit of the township.

Total governmental fund long-term debt - contracts payable

<u>Balance 7/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/04</u>	<u>Current Portion</u>
\$ 1,208,750	\$	\$ 80,000	\$ 1,128,750	\$ 80,000
364,009		236,725	127,284	127,284
1,693,705		59,339	1,634,366	98,480
<u>500,000</u>	<u></u>	<u>237,680</u>	<u>262,320</u>	<u>62,410</u>
<u>\$ 3,766,464</u>	<u>\$</u>	<u>\$ 613,744</u>	<u>\$ 3,152,720</u>	<u>\$ 368,174</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG-TERM DEBT - (continued)

Governmental Fund Long-Term Debt - Bonds Payable

1. Payable to Livingston County Drain Commission, Genoa-Oceola Sewer Drain No. 1, Drainage District Special Assessment Bonds, Series 1991, (Phase II), payable in annual installments of \$60,088 to \$246,675 through 2011, dated June 27, 1991, interest at 2.0% (Genoa Township's portion 63.25%).
2. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, special assessment bonds (local project bonds), dated August 25, 1993, Series 1993, payable in annual installments of \$36,000 to \$110,000 through 2013, interest varying from 4.3% to 6.7%. This debt was extinguished with refunding bonds in year ending June 30, 2004.
3. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, special assessment bonds (local project bonds) dated May 1, 1994, Series 1994, payable in annual installments of \$102,000 to \$320,000 through 2014, interest varying from 5.6% to 6.9%. This debt was extinguished with refunding bonds in year ending June 30, 2004.
4. Payable to Livingston County Drain Commission, Genoa-Oceola Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds. Series 1998, principal payable in annual installments of 395,000 to \$410,000 starting May 1, 2002 through 2009, interest is charged at 4.2% to 4.25% payable semi-annually.
5. Payable to Michigan Municipal Bond Authority, Grand Oaks Industrial Park Water System Improvement Project, Special assessment bonds, dated December 9, 1998, payable in annual installments of \$25,000 and \$30,000 through 2018, interest is charged at 3.65% to 5% semi-annually.
6. Payable to Michigan Municipal Bond Authority, Grand River Road Improvement Project, special assessment bonds, dated June 23, 2003, payable in annual installments of \$75,000 and \$80,000 through 2019 interest is charged at 4.60% to 6.35% semi-annually.
7. Payable to National City Bank, special assessment bonds, Series 2000, (Lake Edgewood West Water Expansion), payable in annual installments of \$35,000 to \$170,000 through 2020, interest varying from 5.6% to 5.65%.
8. Payable to Fifth Third Bank, special assessment bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa - Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.
9. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, refunding bonds (local project bonds), dated May 13, 2004, Series 2004, payable in annual installments of \$50,000 to \$60,000 through 2013, interest varying from 2.0% to 4.0%.
10. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, refunding bond (local project bonds) dated May 13, 2004, Series 2004, payable in annual installments of \$100,000 to \$115,000 through 2014, interest varying from 2.0% to 4.0%.

Total governmental fund long-term debt - bonds payable

Total governmental fund long-term debt

<u>Balance 7/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/04</u>	<u>Current Portion</u>
\$ 2,080,925	\$	\$ 243,513	\$ 1,837,412	\$ 246,675
920,000		920,000		
2,580,000		2,580,000		
1,910,150		316,356	1,593,794	316,356
405,000		30,000	375,000	25,000
1,215,000		80,000	1,135,000	80,000
2,890,000		170,000	2,720,000	170,000
730,000		40,000	690,000	40,000
	490,000		490,000	50,000
<u>1,065,000</u>	<u>1,065,000</u>		<u>1,065,000</u>	<u>100,000</u>
<u>\$ 12,731,075</u>	<u>\$ 1,555,000</u>	<u>\$ 4,379,869</u>	<u>\$ 9,906,206</u>	<u>\$ 1,028,031</u>
<u>\$ 16,497,539</u>	<u>\$ 1,555,000</u>	<u>\$ 4,993,613</u>	<u>\$ 13,058,926</u>	<u>\$ 1,396,205</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 5 - LONG-TERM DEBT - (continued)**

**Proprietary Long-Term Debt - Contracts Payable**

1. Payable to City of Brighton, wastewater treatment and water service contract for Pine Creek subdivision, payable in annual installments of \$69,660 principal only on December 4 through 2009.
2. Payable to Livingston County Department of Public Works, Lake Edgewood Water Expansion, principal is payable in annual installments of \$25,000 to \$30,000 through May 1, 2017, interest is charged at 4.3% to 5.4% payable semi-annually.
3. Payable to Livingston County Department of Public Works, Lake Edgewood West Sewer Expansion, principal is payable in annual installments of \$110,000 to \$265,000 through May 1, 2020, interest is charged at 5.0% to 5.75% payable semi-annually.

Total proprietary long-term debt - contracts payable

**Proprietary Long-Term Debt - Bonds Payable**

1. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1988, Homestead Road Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$10,000 to \$45,000 through 2007, interest varying from 2.15% to 2.55%.
2. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1989, (Lake Edgewood Water and Sewer Systems-Phase I), payable in annual installments of \$5,000 to \$125,000 through 2009, interest varying from 2.15% to 2.55%.
3. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1991, Tri-Lakes Area Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$120,000 to \$155,000 through 2011, interest at 2.0%.
4. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1992, (Lake Edgewood Water and Sewer Systems-Phase II), payable in annual installments of \$5,000 to \$25,000 through 2012, interest varying from 3.3% to 6.65%.
5. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1993, (Lake Edgewood Water and Sewer Systems-Phase III), payable in annual installments of \$9,000 to \$25,000 through 2013 interest varying from 3.5% to 7.5%.
6. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1994E, (Oak Pointe Water Improvement System), payable in annual installments of \$59,000 to \$125,000 through 2014, interest varying from 4.5% to 8%. This debt was extinguished with refunding bonds in the year ending June 30, 2004.
7. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1995, (Northeast Tri-Lakes Sewer System), payable in annual installments of \$20,000 to \$40,000 through 2015, interest varying from 5.0% to 6%.
8. Payable to Michigan Municipal Bond Authority refunding bond, special assessment bonds, Series 2004, (Oak Pointe Water Improvement System), payable in annual installments of \$60,000 to \$75,000 through 2014, interest varying from 2% to 4%.

Total proprietary long-term debt - bonds payable

Total proprietary long-term debt

Total township debt

<u>Balance 7/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/04</u>	<u>Current Portion</u>
\$ 487,620	\$	\$ 69,660	\$ 417,960	\$ 69,660
360,000		25,000	335,000	25,000
<u>4,505,000</u>		<u>265,000</u>	<u>4,240,000</u>	<u>265,000</u>
<u>\$ 5,352,620</u>	<u>\$</u>	<u>\$ 359,660</u>	<u>\$ 4,992,960</u>	<u>\$ 359,660</u>
\$ 170,000	\$	\$ 40,000	\$ 130,000	\$ 40,000
630,000		85,000	545,000	95,000
1,395,000		155,000	1,240,000	155,000
180,000		15,000	165,000	15,000
190,000		15,000	175,000	15,000
1,455,000		1,455,000		
435,000		35,000	400,000	35,000
	675,000		675,000	60,000
<u>4,455,000</u>	<u>675,000</u>	<u>1,800,000</u>	<u>3,330,000</u>	<u>415,000</u>
<u>\$ 9,807,620</u>	<u>\$ 675,000</u>	<u>\$ 2,159,660</u>	<u>\$ 8,322,960</u>	<u>\$ 774,660</u>
<u>\$ 26,305,159</u>	<u>\$ 2,230,000</u>	<u>\$ 7,153,273</u>	<u>\$ 21,381,886</u>	<u>\$ 2,170,865</u>



GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 5 - LONG-TERM DEBT (continued)**

The following is a schedule of principal and interest payments to service the long-term debt of the township:

	Contracts Payable	
	Principal	Interest
2004-2005	\$ 727,835	\$ 387,312
2005-2006	608,575	360,060
2006-2007	573,498	338,147
2007-2008	512,703	314,183
2008-2009	520,747	290,953
2009-2014	2,464,008	1,098,027
2014-2019	2,200,924	475,599
2019-2024	537,390	34,967
Total	<u>\$ 8,145,680</u>	<u>\$ 3,299,248</u>

	Bonds Payable	
	Principal	Interest
2004-2005	\$ 1,443,031	\$ 464,666
2005-2006	1,464,356	424,968
2006-2007	1,487,519	373,966
2007-2008	1,458,841	337,564
2008-2009	1,487,183	291,835
2009-2014	4,060,276	906,846
2014-2019	1,575,000	322,100
2019-2024	260,000	16,355
Total	<u>\$ 13,236,206</u>	<u>\$ 3,138,300</u>

	Total	
	Principal	Interest
2004-2005	\$ 2,170,866	\$ 851,978
2005-2006	2,072,931	785,028
2006-2007	2,061,017	712,113
2007-2008	1,971,544	651,747
2008-2009	2,007,930	582,788
2009-2014	6,524,284	2,004,873
2014-2019	3,775,924	797,699
2019-2024	797,390	51,322
Total	<u>\$ 21,381,886</u>	<u>\$ 6,437,548</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables exist at June 30, 2004. These represent short-term borrowings and amounts owed for reimbursements between other funds.

**NOTE 7 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

Selected financial information with respect to the three enterprise funds maintained by the township for water and sewer service is as follows:

	<u>Oak Pointe</u>	<u>Lake Edgewood</u>	<u>Pine Creek</u>	<u>Total</u>
Operating revenues	\$ 614,571	\$ 316,203	\$ 239,400	\$ 1,170,174
Depreciation	286,959	150,212		437,171
Operating income (loss)	(246,876)	(139,507)	40,187	(346,196)
Net working capital	179,624	203,268	169,213	552,105
Total assets	13,678,362	12,581,708	717,445	26,977,515
Retained earnings	11,184,334	7,098,139	221,579	18,504,052

**NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and cash equivalents:

	<u>7/01/03</u>	<u>6/30/04</u>
Current assets		
Cash and cash equivalents	\$ <u>212,900</u>	\$ <u>322,488</u>
Restricted assets		
Cash and cash equivalents	\$ <u>4,211,846</u>	\$ <u>3,670,962</u>

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 9 - PENSION PLAN (DEFINED CONTRIBUTION PLAN)**

The Township of Genoa has adopted the Principal Financial Group Money Purchase Pension Plan, a defined contribution plan with an effective date of July 1, 1991. The township is making contributions to the plan on behalf of all eligible employees. Eligible employees are employees who have been employed for one whole year with a minimum of 1,000 hours of service. The township's payroll for employees covered by the plan for the year ended June 30, 2004 was \$572,614, the township's total payroll was \$663,201.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participants account. Contributions, required solely by the township vest 100% in the initial year of vesting service. An employee who leaves the employment of the township for reasons other than death, total disability or normal retirement is entitled to the township's contributions if vesting requirements are satisfied. The township is required to contribute an amount equal to 10% of the employee's annual compensation.

Total covered payroll	\$	572,614
Total contributions	\$	57,261
Contributions as a % of covered payroll		10.00%

**NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN)**

The Township of Genoa participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. Only the Township Manager is eligible to participate in the plan with a total covered payroll of \$74,467. Total contributions made for the year ended June 31, 2004 totaled \$4,490.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 10 – PENSION PLAN (DEFINED BENEFIT PLAN) continued

At December 31, 2003, the unfunded pension benefit obligation was \$258, determined as follows:

Pension benefit obligation	\$ 0
Retirees and beneficiaries currently receiving benefits	0
Terminated employees not yet receiving benefits	
Current employees	
Accumulated employee contribution, including allocated investment income	1,644
Employer financed	<u>9,510</u>
 Total pension benefit obligation	 11,154
 Net assets available for benefits, at cost (at market \$9,949)	 <u>10,896</u>
 Actuarial accrued liability	 <u>\$ 258</u>
 Fiscal Year Beginning	 July 1, 2005
 Annual Required Contribution	 \$ 5,532
 Amortization Factor Used – Under funded Liabilities (30 years)	 0.053632
 Amortization Factor Used – Over funded Liabilities (10 years)	 0.119963

NOTE 11 - MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 13 - CONTINGENT LIABILITIES**

**A. Wastewater Treatment System - Lake Edgewood**

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softener from the sanitary sewers. The plant was brought into compliance for both sodium and chloride by the December 31, 2002, consent order deadline.

An investigation of the contaminated groundwater plume was completed and the remedial investigation report was submitted to the MDEQ in October 2002. The plume extends approximately ¼ mile southeast of the WWTP and discharges into Brighton Township to Woodland Lake. The MDEQ approved the remedial investigation report in February 2004, with conditions. A June 2004 groundwater sampling event documented groundwater sodium and chloride concentrations to be below the applicable criteria. The Township is currently investigating possible elevated iron and magnesium concentrations at the WWTP site.

In the year ending June 30, 2004, the Township spent approximately \$16,771 to complete residential sampling, collection system sampling, and groundwater sampling. The amount of additional costs for July 1, 2004, through June 30, 2005 is estimated to be \$45,000. This cost includes investigation of background iron and magnesium concentrations, preparing and implementing a remedial action plan, and conducting groundwater monitoring activities.

**B. Wastewater Treatment System - Oak Pointe**

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softeners from the sanitary sewers. In September 2000 the Township began an extensive residential inspection program to ensure compliance with the Township ordinance. A collection system sampling event was completed in October 2002. The plant was brought into compliance for both sodium and chloride by the December 31, 2002 consent order deadline. An investigation of the contaminated groundwater plume was completed in 2002 and approved by the MDEQ in July 2002. The plume has been shown to extend approximately one-half mile southwest of the WWTP toward Chilson Road. To ensure public health and safety, the Township began implementing the Remedial Action Plan for this site in September 2002. The MDEQ responded to the Remedial Action Plan in February 2004. A June 2004 groundwater sampling event confirmed the extent of the plume as presented in the Remedial Action Plan.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 13 - CONTINGENT LIABILITIES - continued

In the year ending June 30, 2004, the Township spent approximately \$22,194 to respond to the MDEQ's comments regarding the remedial action plan, to complete a residential sampling event, to maintain reserve osmosis systems in several residents homes in the area, and to complete a groundwater sampling event. The amount of additional costs for July 1, 2004, through June 30, 2005 is estimated to be \$40,000. This cost includes revising the remedial action plan and conducting monitoring and corrective action activities.

NOTE 14 - GRANT ACTIVITIES AND CONTINGENCIES

The Township has been a recipient of a grant from the Community Foundation for Southeastern Michigan to fund the construction of bike paths on Bauer Road. Total receipts for the year totaled \$34,300. The obligations for this grant is complete, but may be subject to various grant audit requirements.

NOTE 15 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended June 30, 2004. All required statements and disclosures have been included in the basic financial statements.

NOTE 16 - REFUNDING BONDS ISSUED

On May 13, 2004, the Township issued \$2,230,000 in general obligation bonds with an average interest rate (coupon) of 3.82%, 3.83% and 3.68% to advance refund \$850,000, \$2,410,000, and \$1,355,000 of outstanding 1993, 1994 and 1994 series bonds (refunded bonds), respectively, with average interest rates of 5.40%, 5.60% and 5.50%, respectively. Total proceeds included \$3,473 in premium and accrued interest. Underwriting fees and other issuance costs were approximately \$139,477. Net proceeds of \$2,093,996, along with sinking funds available, were used to call the original issue bonds dated Series 1993, 1994 and 1994, respectively. Subsequent debt service payments on the refunded bond issues will be paid from taxes levied in special assessment districts created at the time of the original issue bonds. As a result, refunded Series of 1993, 1994 and 1994 bonds in the amounts disclosed above, have been removed from the financial statements and are paid-in-full as of June 30, 2004. The Township advance refunded these bonds to benefit from recent declines in interest rates and achieved an economic gain \$1,006,949 over the term of the bonds, with a net present value of \$306,483.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 17 - PRIOR PERIOD ADJUSTMENT IN LAKE EDGEWOOD FUND

The quarterly billing usage for Lake Edgewood is as follows:

- June through August
- September through November
- December through February
- March through May

In prior years the Township accounted for billing revenues based on actual billings versus estimating the revenues earned in June. Under GASB 34, the Township has changed its method of recognizing income for quarterly billings to include an estimate of June's revenues included in the quarter ending August 31<sup>st</sup>. This has resulted in a prior period adjustment of \$28,163 increase in retained earnings.

NOTE 18 - LAKE EDGEWOOD TRANSFER BETWEEN RESERVED AND UNRESERVED RETAINED EARNINGS

During the year the Township Board approved a \$100,000 transfer from the reserved retained earnings to the unreserved retained earnings to eliminate the continuing unreserved retained earnings deficit. The \$100,000 came from connection fees revenue in the Lake Edgewood new user fund.

GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 19 - RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Total fund balance per balance sheet		\$ 14,238,791
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 3,236,915	
Depreciation	<u>(428,864)</u>	
Capital assets net of depreciation		2,808,051
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(3,152,721)	
Bonds payable	<u>(9,906,207)</u>	
Total		(13,058,928)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>8,775,975</u>
Net assets of governmental activities		<u>\$ 12,763,889</u>



GENOA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 19 - RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

Amounts reported for governmental activities in the Statement  
of Activities are different because:

Net change in fund balances - governmental funds	\$ (1,297,843)
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Governmental funds report capital outlay as expenditures.  
However, in the Statement of Activities the cost of those  
assets are allocated over their useful lives as depreciation  
expense. The amount by which capital outlays exceeded  
depreciation is as follows:

Capital outlay	\$ 115,072
Depreciation expense	<u>(99,539)</u>

Total	15,533
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Repayment of bond and contracts payable is an expenditure  
in the governmental funds, but the repayment reduces long-term  
liabilities in the Statement of Net Assets.

Repayment of:	
Bonds payable	613,744
Contracts payable	<u>4,379,868</u>

Total	4,993,612
-------	-----------

Proceeds from long-term debt provide current financial resources  
to governmental funds, but the issuing of debt increase long-term  
liabilities in the Statement of Activities.

(1,555,000)

Principal received on special assessments are income as they are  
levied annually for governmental funds, but they are income  
when they are levied for the Statement of Activities.

Special assessments levied	335,216
Principal collected on assessments	<u>(1,124,032)</u>

Total	<u>(788,816)</u>
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Change in net assets of governmental activities	\$ <u>1,367,486</u>
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REQUIRED  
SUPPLEMENTARY  
INFORMATION

GENOA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	Budgets		Actual	Variance with Final Budget Positive (Negative) (Unfavorable)
	Original	Final		
REVENUES	\$ 3,285,600	\$ 3,459,100	\$ 3,393,299	\$ (65,801)
EXPENDITURES	<u>3,044,200</u>	<u>3,041,352</u>	<u>2,968,465</u>	<u>72,887</u>
Excess of revenues over (under) expenditures	<u>241,400</u>	<u>417,748</u>	<u>424,834</u>	<u>7,086</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		115,000	133,366	18,366
Transfers (out)	<u>(875,000)</u>	<u>(875,000)</u>	<u>(907,526)</u>	<u>(32,526)</u>
Total other financing sources (uses)	<u>(875,000)</u>	<u>(760,000)</u>	<u>(774,160)</u>	<u>(14,160)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(633,600)	(342,252)	(349,326)	(7,074)
FUND BALANCE, JULY 1, 2003	<u>1,507,006</u>	<u>1,507,006</u>	<u>1,507,006</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 873,406</u>	<u>\$ 1,164,754</u>	<u>\$ 1,157,680</u>	<u>\$ (7,074)</u>

GENOA TOWNSHIP  
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2004

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

TOWNSHIP MANAGER

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Accrued Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2002	\$ 4,741	\$ 1,870	\$ (2,871)	(153.5%)	\$ 71,339	(3.9)%
December 31, 2003	\$ 10,896	\$ 11,154	\$ 258	97.7%	\$ 74,467	.3 %

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

GENOA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Liquor Law Enforcement Fund</u>	<u>Road Improvement Fund</u>	<u>Reimbursable Road Projects Fund</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 564	\$ 974,958	\$ 415,421
Accounts receivable			290,073
Due from other funds	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 564</u>	<u>\$ 974,958</u>	<u>\$ 705,494</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Deferred revenues	\$	\$	\$ 290,073
FUND BALANCE	<u>564</u>	<u>974,958</u>	<u>415,421</u>
Total liabilities and fund balance	<u>\$ 564</u>	<u>\$ 974,958</u>	<u>\$ 705,494</u>

Future Development Parks, Paths and Recreation Fund	Cemetery Perpetual Care	Totals
\$ 958,752	\$ 39,507	\$ 2,389,202
		290,073
<u>2,019</u>		<u>2,019</u>
<u>\$ 960,771</u>	<u>\$ 39,507</u>	<u>\$ 2,681,294</u>

\$	\$	\$ 290,073
<u>960,771</u>	<u>39,507</u>	<u>2,391,221</u>
<u>\$ 960,771</u>	<u>\$ 39,507</u>	<u>\$ 2,681,294</u>



GENOA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Dorr Road Water and Sewer Fund</u>	<u>Tri-Lakes Road Fund</u>	<u>Genoa- Oceola Phase I Sewer Fund</u>	<u>Genoa- Oceola Phase II Sewer Fund</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 117,000	\$ 20,367	\$ 374,156	\$ 663,062
Special assessments receivable	<u>458,575</u>	<u>562,888</u>	<u>1,119,051</u>	<u>1,380,344</u>
Total assets	<u>\$ 575,575</u>	<u>\$ 583,255</u>	<u>\$ 1,493,207</u>	<u>\$ 2,043,406</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Deferred revenues	\$ 458,575	\$ 562,888	\$ 1,119,051	\$ 1,380,344
Fund balance	<u>117,000</u>	<u>20,367</u>	<u>374,156</u>	<u>663,062</u>
Total liabilities and fund balance	<u>\$ 575,575</u>	<u>\$ 583,255</u>	<u>\$ 1,493,207</u>	<u>\$ 2,043,406</u>

<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>	<u>Genoa-Oceola Plant Expansion Fund</u>	<u>Totals</u>
\$ 42,544	\$ 84,969	\$ 80,680	\$ 202,788	\$ 1,276,213	\$ 2,210,890	\$ 5,072,669
<u>1,141,398</u>	<u>377,570</u>	<u>974,041</u>	<u>2,472,035</u>			<u>8,485,902</u>
<u>\$ 1,183,942</u>	<u>\$ 462,539</u>	<u>\$ 1,054,721</u>	<u>\$ 2,674,823</u>	<u>\$ 1,276,213</u>	<u>\$ 2,210,890</u>	<u>\$ 13,558,571</u>
\$ 1,141,398	\$ 377,570	\$ 974,041	\$ 2,472,035	\$	\$	\$ 8,485,902
<u>42,544</u>	<u>84,969</u>	<u>80,680</u>	<u>202,788</u>	<u>1,276,213</u>	<u>2,210,890</u>	<u>5,072,669</u>
<u>\$ 1,183,942</u>	<u>\$ 462,539</u>	<u>\$ 1,054,721</u>	<u>\$ 2,674,823</u>	<u>\$ 1,276,213</u>	<u>\$ 2,210,890</u>	<u>\$ 13,558,571</u>

GENOA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 2,142,906	\$ 1,467,445	\$ 1,800,602
Due from MHOG Authority	150,000		
Due from G/O Authority		31,000	
Total assets	<u>\$ 2,292,906</u>	<u>\$ 1,498,445</u>	<u>\$ 1,800,602</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Due to other funds	\$ 1,688	\$ 938	\$
FUND BALANCE	<u>2,291,218</u>	<u>1,497,507</u>	<u>1,800,602</u>
Total liabilities and fund balance	<u>\$ 2,292,906</u>	<u>\$ 1,498,445</u>	<u>\$ 1,800,602</u>

<u>Dorr Road Water and Sewer Construction Fund</u>	<u>Grand River Road Construction Fund</u>	<u>Lake Edgewood West Water Construction Fund</u>	<u>Totals</u>
\$ 2,101	\$ 12,074	\$ 13,719	\$ 5,438,847
			150,000
			31,000
<u>\$ 2,101</u>	<u>\$ 12,074</u>	<u>\$ 13,719</u>	<u>\$ 5,619,847</u>
\$	\$	\$	\$ 2,626
<u>2,101</u>	<u>12,074</u>	<u>13,719</u>	<u>5,617,221</u>
<u>\$ 2,101</u>	<u>\$ 12,074</u>	<u>\$ 13,719</u>	<u>\$ 5,619,847</u>

GENOA TOWNSHIP  
ALL ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<b><u>ASSETS</u></b>				
Current Assets				
Cash and cash equivalents	\$ 32,946	\$ 103,234	\$ 186,308	\$ 322,488
Accounts receivable	127,368	121,486	58,243	307,097
Due from others	63,878			63,878
Due from other funds	<u>4,460</u>	<u>2,117</u>	<u>2,568</u>	<u>9,145</u>
Total current assets	<u>228,652</u>	<u>226,837</u>	<u>247,119</u>	<u>702,608</u>
Restricted Assets				
Cash and cash equivalents				1,622,752
Future improvements	990,959	631,793		2,048,210
Debt service	1,023,040	848,810	176,360	58,140
Investments - debt service	58,140			6,265,435
Special assessments receivable	2,070,857	3,900,612	293,966	223,600
Contract receivable - City of Brighton	<u></u>	<u>223,600</u>	<u></u>	<u></u>
Total restricted assets	<u>4,142,996</u>	<u>5,604,815</u>	<u>470,326</u>	<u>10,218,137</u>
Property, Plant and Equipment				
Land	358,855	259,009		617,864
Water and sewer systems	11,768,040	7,448,249		19,216,289
Construction in progress	<u>140,816</u>	<u></u>	<u></u>	<u>140,816</u>
	12,267,711	7,707,258		19,974,969
Less accumulated depreciation	<u>2,960,997</u>	<u>957,202</u>	<u></u>	<u>3,918,199</u>
Net property, plant and equipment	<u>9,306,714</u>	<u>6,750,056</u>	<u></u>	<u>16,056,770</u>
Total assets	<u>\$ 13,678,362</u>	<u>\$ 12,581,708</u>	<u>\$ 717,445</u>	<u>\$ 26,977,515</u>

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Current Liabilities				
Accounts payable	\$ 21,504	\$ 20,522	\$ 36,105	\$ 78,131
Due to other funds	20,524	3,047	2,921	26,492
Due to others	<u>7,000</u>		<u>38,880</u>	<u>45,880</u>
Total current liabilities	<u>49,028</u>	<u>23,569</u>	<u>77,906</u>	<u>150,503</u>
Current Liabilities (from restricted assets)				
Special assessment bonds	290,000	125,000		415,000
Contracts payable	<u></u>	<u>290,000</u>	<u>69,660</u>	<u>359,660</u>
Total current liabilities (from restricted assets)	<u>290,000</u>	<u>415,000</u>	<u>69,660</u>	<u>774,660</u>
Long-Term Liabilities (from restricted assets)				
Special assessment bonds	2,155,000	760,000		2,915,000
Contracts payable	<u></u>	<u>4,285,000</u>	<u>348,300</u>	<u>4,633,300</u>
Total long-term liabilities (from restricted assets)	<u>2,155,000</u>	<u>5,045,000</u>	<u>348,300</u>	<u>7,548,300</u>
Total liabilities	<u>2,494,028</u>	<u>5,483,569</u>	<u>495,866</u>	<u>8,473,463</u>
Fund Equity				
Retained earnings				
Reserved	10,678,540	6,989,605	116,465	17,784,610
Unreserved	<u>505,794</u>	<u>108,534</u>	<u>105,114</u>	<u>719,442</u>
Total fund equity	<u>11,184,334</u>	<u>7,098,139</u>	<u>221,579</u>	<u>18,504,052</u>
Total liabilities and fund equity	<u>\$ 13,678,362</u>	<u>\$ 12,581,708</u>	<u>\$ 717,445</u>	<u>\$ 26,977,515</u>

GENOA TOWNSHIP  
ALL TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004

	<u>Deposit Trust Fund</u>	<u>Current Tax Fund</u>	<u>Trust and Agency Fund</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 322,819	\$ 1,373	\$ 367	\$ 324,559
Due from other funds	<u>1,716</u>	<u>          </u>	<u>          </u>	<u>1,716</u>
Total assets	<u>\$ 324,535</u>	<u>\$ 1,373</u>	<u>\$ 367</u>	<u>\$ 326,275</u>
<u>LIABILITIES</u>				
LIABILITIES				
Deposits	\$ 324,535	\$	\$	\$ 324,535
Due to other funds	<u>          </u>	<u>1,373</u>	<u>367</u>	<u>1,740</u>
Total liabilities	<u>\$ 324,535</u>	<u>\$ 1,373</u>	<u>\$ 367</u>	<u>\$ 326,275</u>

GENOA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

	Liquor Law Enforcement Fund	Road Improvement Fund
REVENUES		
Grant	\$	\$
Special assessments		
Intergovernmental - state	9,597	
Interest and other	<u>14</u>	<u>28,116</u>
Total revenues	<u>9,611</u>	<u>28,116</u>
EXPENDITURES		
Parks		
Fire		
Roads		
Inspection fees	6,600	
Payroll taxes	505	
Miscellaneous	<u>3,110</u>	
Total expenditures	<u>10,215</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(604)</u>	<u>28,116</u>
OTHER FINANCING SOURCES		
Transfers out		
Transfers in		<u>100,000</u>
Total other financing sources (uses)		<u>100,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(604)	128,116
FUND BALANCE, JULY 1, 2003	<u>1,168</u>	<u>846,842</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 564</u>	<u>\$ 974,958</u>



<u>Future Development Fire Fund</u>	<u>Reimbursable Road Projects Fund</u>	<u>Future Development Parks, Paths and Recreation Fund</u>	<u>Cemetery Perpetual Care</u>	<u>Totals</u>
\$	\$	\$ 34,300	\$	\$ 34,300
	147,789			147,789
				9,597
<u>4,471</u>	<u>1,442</u>	<u>19,834</u>	<u>1,589</u>	<u>55,466</u>
<u>4,471</u>	<u>149,231</u>	<u>54,134</u>	<u>1,589</u>	<u>247,152</u>
		13,915		13,915
466,765				466,765
	201,404			201,404
				6,600
				505
				<u>3,110</u>
<u>466,765</u>	<u>201,404</u>	<u>13,915</u>		<u>692,299</u>
<u>(462,294)</u>	<u>(52,173)</u>	<u>40,219</u>	<u>1,589</u>	<u>(445,147)</u>
(114,986)		(18,379)		(133,365)
<u>325,000</u>	<u>132,525</u>	<u>350,000</u>		<u>907,525</u>
<u>210,014</u>	<u>132,525</u>	<u>331,621</u>		<u>774,160</u>
(252,280)	80,352	371,840	1,589	329,013
<u>252,280</u>	<u>335,069</u>	<u>588,931</u>	<u>37,918</u>	<u>2,062,208</u>
<u>\$</u>	<u>\$ 415,421</u>	<u>\$ 960,771</u>	<u>\$ 39,507</u>	<u>\$ 2,391,221</u>

GENOA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

	Dorr Road Water & Sewer Fund	Tri-Lakes Road Fund	Genoa-Oceola Phase I Sewer Fund
REVENUES			
Special assessments - principal	\$ 26,975	\$ 70,103	\$ 251,326
Special assessments - interest	28,114	42,340	110,918
Interest	1,032	3,300	2,490
Miscellaneous			370
Total revenues	<u>56,121</u>	<u>115,743</u>	<u>365,104</u>
EXPENDITURES			
Bond repayment			
Principal	40,000	920,000	316,356
Interest	32,700	65,824	81,023
Miscellaneous	<u>250</u>	<u>28,056</u>	<u>1,060</u>
Total expenditures	<u>72,950</u>	<u>1,013,880</u>	<u>398,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,829)</u>	<u>(898,137)</u>	<u>(33,335)</u>
OTHER FINANCING SOURCES			
Transfers in			
Bond proceeds		<u>490,000</u>	
Total other financing sources		<u>490,000</u>	
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(16,829)	(408,137)	(33,335)
FUND BALANCE, JULY 1, 2003	<u>133,829</u>	<u>428,504</u>	<u>407,491</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 117,000</u>	<u>\$ 20,367</u>	<u>\$ 374,156</u>

<u>Genoa-Oceola Phase II Sewer Fund</u>	<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>
\$ 230,638	\$ 127,780	\$ 32,638	\$ 67,447	\$ 166,912	\$
32,043	93,036	23,819	63,707	178,392	
3,174	23,866	428	656	1,107	15,141
<u>265,855</u>	<u>244,682</u>	<u>56,885</u>	<u>131,810</u>	<u>346,411</u>	<u>15,141</u>
243,513	2,580,000	30,000	80,000	170,000	80,000
41,619	217,596	18,673	62,864	162,818	56,364
<u>495</u>	<u>43,148</u>	<u>600</u>	<u>680</u>	<u>450</u>	<u>473</u>
<u>285,627</u>	<u>2,840,744</u>	<u>49,273</u>	<u>143,544</u>	<u>333,268</u>	<u>136,837</u>
<u>(19,772)</u>	<u>(2,596,062)</u>	<u>7,612</u>	<u>(11,734)</u>	<u>13,143</u>	<u>(121,696)</u>
	<u>1,065,000</u>				
	<u>1,065,000</u>				
(19,772)	(1,531,062)	7,612	(11,734)	13,143	(121,696)
<u>682,834</u>	<u>1,573,606</u>	<u>77,357</u>	<u>92,414</u>	<u>189,645</u>	<u>1,397,909</u>
<u>\$ 663,062</u>	<u>\$ 42,544</u>	<u>\$ 84,969</u>	<u>\$ 80,680</u>	<u>\$ 202,788</u>	<u>\$ 1,276,213</u>

GENOA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (continued)  
FOR THE YEAR ENDED JUNE 30, 2004

	Genoa- Oceola Plant Expansion	Total
REVENUES		
Special assessments - principal	\$	\$ 973,819
Special assessments - interest		572,369
Interest	9,093	60,287
Miscellaneous		370
	<u>9,093</u>	<u>1,606,845</u>
Total revenues		
EXPENDITURES		
Bond repayment		
Principal	59,339	4,519,208
Interest	38,864	778,345
Miscellaneous		75,212
	<u>98,203</u>	<u>5,372,765</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	<u>(89,110)</u>	<u>(3,765,920)</u>
OTHER FINANCING SOURCES		
Transfers in	2,300,000	2,300,000
Bond proceeds		1,555,000
	<u>2,300,000</u>	<u>3,855,000</u>
Total other financing sources		
Excess (deficiency) of revenues over (under) expenditures and other financing sources	2,210,890	89,080
FUND BALANCE, JULY 1, 2003		<u>4,983,589</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 2,210,890</u>	<u>\$ 5,072,669</u>

GENOA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2004

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund
REVENUES			
New user tap-in fees	\$ 659,058	\$ 649,140	\$ 233,088
Interest	27,208	36,627	20,739
Miscellaneous			
Total revenues	<u>686,266</u>	<u>685,767</u>	<u>253,827</u>
EXPENDITURES			
Professional services	9,133	5,301	2,300
Expansion and construction	600,000		16,131
Interest		37,077	
Other		<u>323</u>	
Total expenditures	<u>609,133</u>	<u>42,701</u>	<u>18,431</u>
Excess (deficiency) of revenues over under expenditures	77,133	643,066	235,396
OTHER FINANCING (USES)			
Transfer (out)		<u>(2,300,000)</u>	
Excess (deficiency) of revenues over under expenditures and other financing (uses)	77,133	(1,656,934)	235,396
FUND BALANCE JULY 1, 2003	<u>2,214,085</u>	<u>3,154,441</u>	<u>1,565,206</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 2,291,218</u>	<u>\$ 1,497,507</u>	<u>\$ 1,800,602</u>

<u>Dorr Road Water and Sewer Construction Fund</u>	<u>Lake Edgewood West Water Construction Fund</u>	<u>Grand River Road Construction Fund</u>	<u>Totals</u>
\$	\$	\$	\$ 1,541,286
	43		84,659
<u>18</u>	<u>4,700</u>	<u>24</u>	<u>4,700</u>
<u>18</u>	<u>4,743</u>	<u>24</u>	<u>1,630,645</u>
5,122	5,000		26,856
16,868			632,999
			37,077
			<u>323</u>
<u>21,990</u>	<u>5,000</u>		<u>697,255</u>
(21,972)	(257)	24	933,390
			<u>(2,300,000)</u>
(21,972)	(257)	24	(1,366,610)
<u>24,073</u>	<u>13,976</u>	<u>12,050</u>	<u>6,983,831</u>
<u>\$ 2,101</u>	<u>\$ 13,719</u>	<u>\$ 12,074</u>	<u>\$ 5,617,221</u>

GENOA TOWNSHIP  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED JUNE 30, 2004

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
OPERATING REVENUES		
User charges	\$ 614,571	\$ 316,203
OPERATING EXPENSES		
Water and sewer usage		76,034
Repairs, maintenance and supplies	127,015	31,890
Contracted labor	225,463	101,295
Out of scope - contract labor	15,214	2,361
Utilities and telephone	83,501	41,740
Administration	37,546	11,102
Professional fees	34,784	17,665
Groundwater exceedence	22,194	16,771
Insurance	10,911	2,885
Miscellaneous		
Depreciation	286,959	150,212
Meter reading	<u>17,860</u>	<u>3,755</u>
Total operating expenses	<u>861,447</u>	<u>455,710</u>
Operating income (loss)	<u>(246,876)</u>	<u>(139,507)</u>
NON-OPERATING REVENUES AND (EXPENSES)		
Connection fees	174,199	194,697
Interest income - special assessments	113,183	305,018
Interest income - reserved accounts	23,138	
Interest income - general	1,843	2,175
Interest expense - bonds	(182,174)	(324,904)
Other revenue (expense), net	<u>(29,431)</u>	<u>(383)</u>
Total non-operating revenues and (expenses)	<u>100,758</u>	<u>176,603</u>
Net income (loss)	(146,118)	37,096
RETAINED EARNINGS JULY 1, 2003	11,330,452	7,032,880
PRIOR PERIOD ADJUSTMENT	<u>                    </u>	<u>28,163</u>
RETAINED EARNINGS JUNE 30, 2004	<u>\$ 11,184,334</u>	<u>\$ 7,098,139</u>

Pine Creek Water and Sewer Systems Fund		Totals
\$	239,400	\$ 1,170,174
	182,860	258,894
	333	159,238
		326,758
		17,575
		125,241
	10,488	59,136
	950	53,399
		38,965
		13,796
	65	65
		437,171
	4,517	26,132
	199,213	1,516,370
	40,187	(346,196)
		368,896
	2,546	420,747
		23,138
	1,529	5,547
		(507,078)
	2,567	(27,247)
	6,642	284,003
	46,829	(62,193)
	174,750	18,538,082
		28,163
\$	221,579	\$ 18,504,052



GENOA TOWNSHIP  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	\$ 814,117	\$ 471,844
Payments to vendors	<u>(631,924)</u>	<u>(279,830)</u>
Net cash from operating activities	<u>182,193</u>	<u>192,014</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bond	675,000	
Repayment of principal on bonds	(1,685,000)	(405,000)
Special assessments collections	308,298	336,374
Collections City of Brighton - contract receivable		17,200
Payment on City of Brighton - contract payable		
Interest received from special assessments and reserved accounts	136,321	305,018
Interest paid on bonds	(182,174)	(324,904)
Bond issuance costs	<u>(30,064)</u>	<u></u>
Net cash (used in) capital and related financing activities	<u>(777,619)</u>	<u>(71,312)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received from operations	1,843	2,175
Other revenue/expense (net)	633	
Proceeds from investments	99,918	
Additions to systems	<u>(140,816)</u>	<u></u>
Net cash from (used in) investing activities	<u>(38,422)</u>	<u>2,175</u>
Net increase (decrease) in cash and cash equivalents	(633,848)	122,877
CASH AND CASH EQUIVALENTS AT JULY 1, 2003	<u>2,680,793</u>	<u>1,460,960</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2004	<u><u>\$ 2,046,945</u></u>	<u><u>\$ 1,583,837</u></u>

Pine Creek Water and Sewer Systems Fund		Totals
\$	203,017	\$ 1,488,978
	(124,599)	(1,036,353)
	<u>78,418</u>	<u>452,625</u>
		675,000
		(2,090,000)
	66,842	711,514
		17,200
	(69,660)	(69,660)
	2,546	443,885
		(507,078)
		<u>(30,064)</u>
	<u>(272)</u>	<u>(849,203)</u>
	1,529	5,547
		633
		99,918
		<u>(140,816)</u>
	<u>1,529</u>	<u>(34,718)</u>
	79,675	(431,296)
	<u>282,993</u>	<u>4,424,746</u>
\$	<u>362,668</u>	<u>\$ 3,993,450</u>

INDIVIDUAL  
FUNDS

GENERAL  
FUND

GENOA TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,190,607
State shared revenue receivable	351,398
Accounts receivable - taxes	10,236
Accounts receivable - capital projects	35,854
Due from other funds	26,482
Due from others	43,020
Prepaid expenditures	<u>18,678</u>

Total assets \$ 1,676,275

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 168,291
Accrued payroll and compensated absences	29,911
Due to other funds	8,504
Deferred revenue	<u>311,889</u>

Total liabilities \$ 518,595

FUND BALANCE

1,157,680

Total liabilities and fund balance \$ 1,676,275

GENOA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 3,459,100	\$ 3,393,299	\$ (65,801)
EXPENDITURES	<u>3,041,352</u>	<u>2,968,465</u>	<u>72,887</u>
Excess of revenues over (under) expenditures	<u>417,748</u>	<u>424,834</u>	<u>7,086</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	115,000	133,366	18,366
Transfers (out)	<u>(875,000)</u>	<u>(907,526)</u>	<u>(32,526)</u>
Total other financing sources (uses)	<u>(760,000)</u>	<u>(774,160)</u>	<u>(14,160)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(342,252)	(349,326)	(7,074)
FUND BALANCE, JULY 1, 2003	<u>1,507,006</u>	<u>1,507,006</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 1,164,754</u>	<u>\$ 1,157,680</u>	<u>\$ (7,074)</u>

GENOA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 708,500	\$ 715,004	\$ 6,504
Penalties and interest on taxes	3,000	3,118	118
Tax collection fees	284,500	286,589	2,089
Licenses and permits	45,000	44,955	(45)
Cable franchise fees	187,000	174,421	(12,579)
Trailer fees	4,000	3,812	(188)
State shared revenues	1,100,000	1,051,560	(48,440)
Application fees	85,000	88,666	3,666
Refuse collection fees	520,000	497,729	(22,271)
Printing fees	2,000	2,162	162
Utility administration fees	237,000	276,965	39,965
Liquor law administration fees	2,400	2,400	
Land transfer - taxes	96,000	95,434	(566)
Metro Act		12,107	12,107
Rent	62,000	59,588	(2,412)
Interest	65,000	61,891	(3,109)
Miscellaneous	<u>57,700</u>	<u>16,898</u>	<u>(40,802)</u>
Total revenues	<u>\$ 3,459,100</u>	<u>\$ 3,393,299</u>	<u>\$ (65,801)</u>

GENOA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries - trustees	\$ 16,600	\$ 15,375	\$ 1,225
Salary - supervisor	42,500	42,500	
Salary - manager	78,000	71,962	6,038
Salaries - assessing	185,000	180,527	4,473
Professional services - legal	35,000	38,416	(3,416)
Salary - clerk	41,500	41,500	
Professional services - auditor	8,000	8,000	
Professional services - engineers	75,000	62,074	12,926
Tax roll preparation - Livingston County	14,000	6,998	7,002
Salaries - board of review	1,700	1,640	60
Refunds and charge backs	3,500	2,610	890
Salary - treasurer	41,500	41,500	
Repairs and maintenance - equipment	45,000	47,368	(2,368)
Insurance	112,000	113,064	(1,064)
Public utilities	18,000	14,955	3,045
Salaries - secretaries	192,500	193,018	(518)
Retirement - pensions	61,000	54,948	6,052
Payroll processing		1,228	(1,228)
Office supplies	70,000	79,712	(9,712)
Telephone	16,000	14,259	1,741
Travel	1,500	4,348	(2,848)
Escrow loss	2,000	8,216	(6,216)
Dues	17,000	10,692	6,308
Regional meeting fees	23,000	21,452	1,548
Gypsy moth	2,000		2,000
Application fees	145,000	129,324	15,676
Brownfield fees	6,000		6,000
Utility billing fees	140,000	140,186	(186)
Salary - ordinance enforcement	36,000	33,535	2,465
Meter reading	75,000	99,108	(24,108)
Road improvements	250,000	256,245	(6,245)
Landscape and site work	3,000	3,419	(419)
Refuse	664,500	664,210	290
Dust control	130,000	79,813	50,187
Storm water mandate	7,000	6,433	567
White Pines street lighting	700	558	142
Fire substation	7,000	9,068	(2,068)
Debt retirement - principal	236,725	236,725	
Debt retirement - interest	13,275	12,703	572
Parks and recreation	86,600	86,596	4
Sewer project costs	6,000	8,795	(2,795)
Drain advances	21,250	21,248	2
Capital outlay	55,000	53,345	1,655
Payroll taxes	56,002	50,792	5,210
Total expenditures	\$ 3,041,352	\$ 2,968,465	\$ 72,887



LIQUOR LAW ENFORCEMENT  
FUND

GENOA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 564

FUND BALANCE

FUND BALANCE

\$ 564

GENOA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Liquor license fees	\$	\$ 9,597	\$
Interest		14	
Total revenues	<u>12,960</u>	<u>9,611</u>	<u>(3,349)</u>
EXPENDITURES			
Inspection fees		6,600	
Payroll taxes		505	
Administration		2,400	
Retirement		660	
Miscellaneous		50	
Total expenditures	<u>10,470</u>	<u>10,215</u>	<u>255</u>
Excess (deficiency) of revenues over (under) expenditures	2,490	(604)	(3,094)
FUND BALANCE, JULY 1, 2003	<u>1,168</u>	<u>1,168</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 3,658</u>	<u>\$ 564</u>	<u>\$ (3,094)</u>

ROAD IMPROVEMENT  
FUND

GENOA TOWNSHIP  
ROAD IMPROVEMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 974,958

FUND BALANCE

FUND BALANCE

\$ 974,958

GENOA TOWNSHIP  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	\$ 28,116	\$ 28,116
EXPENDITURES			
Legal and accounting	<u>300</u>	<u>          </u>	<u>300</u>
Excess (deficiency) of revenues over (under) expenditures	(300)	28,116	28,416
OTHER FINANCING SOURCES			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>          </u>
Excess (deficiency) of revenues over expenditures and other financing sources	99,700	128,116	28,416
FUND BALANCE, JULY 1, 2003	<u>846,842</u>	<u>846,842</u>	<u>          </u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 946,542</u>	<u>\$ 974,958</u>	<u>\$ 28,416</u>

FUTURE  
DEVELOPMENT  
FIRE FUND

GENOA TOWNSHIP  
FUTURE DEVELOPMENT - FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$	\$ 2,098	\$
Other revenues		<u>2,373</u>	
Total revenues	<u>4,000</u>	<u>4,471</u>	<u>471</u>
EXPENDITURES			
Debt payment - principal		237,680	
Debt payment - interest		12,320	
Fire equipment		136,520	
Telephone and utilities		1,047	
Site work		<u>79,198</u>	
Total expenditures	<u>325,250</u>	<u>466,765</u>	<u>(141,515)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(321,250)</u>	<u>(462,294)</u>	<u>(141,044)</u>
OTHER FINANCING SOURCES			
Transfers in	325,000	325,000	
Transfer (out)		<u>(114,986)</u>	<u>(114,986)</u>
Total other financing sources (uses)	<u>325,000</u>	<u>210,014</u>	<u>(114,986)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	3,750	(252,280)	(256,030)
FUND BALANCE, JULY 1, 2003	<u>252,280</u>	<u>252,280</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 256,030</u>	<u>\$</u>	<u>\$ (256,030)</u>



REIMBURSABLE  
ROAD PROJECTS  
FUND

GENOA TOWNSHIP  
REIMBURSABLE ROAD PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS		
Cash and cash equivalents	\$ 415,421	
Special assessments receivable	<u>290,073</u>	
Total assets		<u>\$ 705,494</u>

LIABILITIES AND FUND BALANCE

LIABILITIES		\$ 290,073
Deferred revenues		
FUND BALANCE		<u>415,421</u>
Total liabilities and fund balance		<u>\$ 705,494</u>

GENOA TOWNSHIP  
REIMBURSABLE ROAD PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 147,789	\$
Interest		<u>1,442</u>	
Total revenues	83,340	149,231	65,891
EXPENDITURES			
Road construction and maintenance	<u>109,300</u>	<u>201,404</u>	<u>(92,104)</u>
Excess (deficiency) of revenues over (under) expenditures	(25,960)	(52,173)	(26,213)
OTHER FINANCING SOURCES			
Operating transfers in	<u>100,000</u>	<u>132,525</u>	<u>32,525</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	74,040	80,352	6,312
FUND BALANCE, JULY 1, 2003	<u>335,069</u>	<u>335,069</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 409,109</u>	<u>\$ 415,421</u>	<u>\$ 6,312</u>

FUTURE DEVELOPMENT - PARKS  
PATHS AND RECREATION FUND

GENOA TOWNSHIP  
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Due from other funds

\$ 958,752  
2,019

Total assets

\$ 960,771

FUND BALANCE

FUND BALANCE

\$ 960,771

GENOA TOWNSHIP  
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Grant	\$	\$ 34,300	\$
Interest		19,834	
Total revenue	3,500	54,134	50,634
EXPENDITURES	<u>600,250</u>	<u>13,915</u>	<u>586,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(596,750)</u>	<u>40,219</u>	<u>636,969</u>
OTHER FINANCING SOURCES (USES)			
Transfer (out)		(18,379)	(18,379)
Transfers in	<u>350,000</u>	<u>350,000</u>	
Total other financing sources	<u>350,000</u>	<u>331,621</u>	<u>(18,379)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(246,750)	371,840	618,590
FUND BALANCE, JULY 1, 2003	<u>588,931</u>	<u>588,931</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 342,181</u>	<u>\$ 960,771</u>	<u>\$ 618,590</u>

CEMETERY PERPETUAL CARE  
FUND

GENOA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 39,507

FUND BALANCE

FUND BALANCE

Reserved for cemetery perpetual care

\$ 10,000

Unreserved

29,507

Total fund balance

\$ 39,507



GENOA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

INTEREST	\$ 1,589
EXPENDITURES	<u>          </u>
Excess of revenues over expenditures	1,589
FUND BALANCE, JULY 1, 2003	<u>37,918</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 39,507</u>

DORR ROAD  
WATER AND SEWER  
DEBT SERVICE  
FUND

GENOA TOWNSHIP  
DORR ROAD WATER AND SEWER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 117,000
Special assessments receivable	<u>458,575</u>

Total assets		<u>\$ 575,575</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 458,575
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FUND BALANCE

	<u>117,000</u>
Total liabilities and fund balance	<u>\$ 575,575</u>

GENOA TOWNSHIP  
DORR ROAD WATER AND SEWER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - Principal	\$	\$ 26,975	\$
Special assessments - Interest		28,114	
Interest		<u>1,032</u>	
Total revenues	<u>55,388</u>	<u>56,121</u>	<u>733</u>
EXPENDITURES			
Bond repayments			
Principal		40,000	
Interest		32,700	
Miscellaneous		<u>250</u>	
Total expenditures	<u>72,900</u>	<u>72,950</u>	<u>(50)</u>
Excess (deficiency) of revenues over (under) expenditures	(17,512)	(16,829)	683
FUND BALANCE, JULY 1, 2003	<u>133,829</u>	<u>133,829</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 116,317</u>	<u>\$ 117,000</u>	<u>\$ 683</u>

TRI-LAKES ROAD DEBT  
SERVICE FUND

GENOA TOWNSHIP  
TRI-LAKES ROAD DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 20,367

Special assessments receivable

562,888

Total assets

\$ 583,255

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 562,888

FUND BALANCE

20,367

Total liabilities and fund balance

\$ 583,255

GENOA TOWNSHIP  
TRI-LAKES ROAD DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 70,103	\$
Special assessments - interest		42,340	
Interest - investments		<u>3,300</u>	
Total revenues	<u>110,603</u>	<u>115,743</u>	<u>5,140</u>
EXPENDITURES			
Bond repayments			
Principal		920,000	
Interest		65,824	
Miscellaneous		<u>28,056</u>	
Total expenditures	<u>122,515</u>	<u>1,013,880</u>	<u>(891,365)</u>
Excess (deficiency) of revenues over (under) expenditures	(11,912)	(898,137)	(886,225)
OTHER FINANCE SOURCES			
Bond proceeds		<u>490,000</u>	<u>490,000</u>
Excess (deficiency) of revenues over (under) expenditures and other sources	(11,912)	(408,137)	(396,225)
FUND BALANCE, JULY 1, 2003	<u>428,504</u>	<u>428,504</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 416,592</u>	<u>\$ 20,367</u>	<u>\$ (396,225)</u>

GENOA-OCEOLA PHASE I  
SEWER DEBT SERVICE FUND



GENOA TOWNSHIP  
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 374,156
Special assessments receivable	<u>1,119,051</u>

Total assets	<u>\$ 1,493,207</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 1,119,051
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FUND BALANCE

<u>374,156</u>
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Total liabilities and fund balance	<u>\$ 1,493,207</u>
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GENOA TOWNSHIP  
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 251,326	\$
Special assessments - interest		110,918	
Interest - investments		2,490	
Other		370	
Total revenues	<u>347,594</u>	<u>365,104</u>	<u>17,510</u>
EXPENDITURES			
Bond repayments			
Principal		316,356	
Interest		81,023	
Miscellaneous		1,060	
Total expenditures	<u>397,749</u>	<u>398,439</u>	<u>(690)</u>
Excess (deficiency) of revenues over (under) expenditures	(50,155)	(33,335)	16,820
FUND BALANCE, JULY 1, 2003	<u>407,491</u>	<u>407,491</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 357,336</u>	<u>\$ 374,156</u>	<u>\$ 16,820</u>

GENOA-OCEOLA PHASE II  
SEWER DEBT SERVICE FUND

GENOA TOWNSHIP  
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Special assessments receivable

\$ 663,062  
1,380,344

Total assets

\$ 2,043,406

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 1,380,344

FUND BALANCE

663,062

Total liabilities and fund balance

\$ 2,043,406

GENOA TOWNSHIP  
 GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 230,638	\$
Interest - special assessments		32,043	
Interest - investments		<u>3,174</u>	
Total revenues	<u>243,027</u>	<u>265,855</u>	<u>22,828</u>
EXPENDITURES			
Bond repayments		243,513	
Principal		41,619	
Interest		<u>495</u>	
Miscellaneous			
Total expenditures	<u>281,278</u>	<u>285,627</u>	<u>(4,349)</u>
Excess (deficiency) of revenues over (under) expenditures	(38,251)	(19,772)	18,479
FUND BALANCE, JULY 1, 2003	<u>682,834</u>	<u>682,834</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 644,583</u>	<u>\$ 663,062</u>	<u>\$ 18,479</u>

GRAND RIVER WATER  
DEBT SERVICE FUND

GENOA TOWNSHIP  
GRAND RIVER WATER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS		
Cash and cash equivalents	\$ 42,544	
Special assessments receivable	<u>1,141,398</u>	
Totals assets		<u>\$ 1,183,942</u>

LIABILITIES AND FUND BALANCE

LIABILITIES		
Deferred revenue		\$ 1,141,398
FUND BALANCE		<u>42,544</u>
Total liabilities and fund balance		<u>\$ 1,183,942</u>

GENOA TOWNSHIP  
GRAND RIVER WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 127,780	\$
Special assessments - interest		93,036	
Interest - investments		23,866	
Total revenues	<u>239,464</u>	<u>244,682</u>	<u>5,218</u>
EXPENDITURES			
Bond repayments			
Principal		2,580,000	
Interest		260,444	
Miscellaneous		300	
Total expenditures	<u>324,235</u>	<u>2,840,744</u>	<u>(2,516,509)</u>
Excess (deficiency) of revenues over (under) expenditures	(84,771)	(2,596,062)	(2,511,291)
OTHER FINANCING SOURCES			
Bond proceeds		1,065,000	1,065,000
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(84,771)	(1,531,062)	(1,446,291)
FUND BALANCE, JULY 1, 2003	<u>1,573,606</u>	<u>1,573,606</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 1,488,835</u>	<u>\$ 42,544</u>	<u>\$ (1,446,291)</u>



GRAND OAKS WATER  
DEBT SERVICE  
FUND

GENOA TOWNSHIP  
GRAND OAKS WATER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 84,969
Special assessments receivable	<u>377,570</u>

Total assets	<u>\$ 462,539</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 377,570
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FUND BALANCE

<u>84,969</u>
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Total liabilities and fund balance	<u>\$ 462,539</u>
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GENOA TOWNSHIP  
GRAND OAKS WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 32,638	\$
Special assessments - interest		23,819	
Interest - investments		<u>428</u>	
Total revenues	<u>50,039</u>	<u>56,885</u>	<u>6,846</u>
EXPENDITURES			
Bond repayments			
Principal		30,000	
Interest		18,673	
Professional services		<u>600</u>	
Total expenditures	<u>48,923</u>	<u>49,273</u>	<u>(350)</u>
Excess (deficiency) of revenues over expenditures	1,116	7,612	6,496
FUND BALANCE, JULY 1, 2003	<u>77,357</u>	<u>77,357</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 78,473</u>	<u>\$ 84,969</u>	<u>\$ 6,496</u>

GRAND RIVER ROAD  
DEBT SERVICE  
FUND

GENOA TOWNSHIP  
GRAND RIVER ROAD DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 80,680	
Special assessments receivable	<u>974,041</u>	
Total assets		<u>\$ 1,054,721</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 974,041	
FUND BALANCE		<u>80,680</u>
Total liabilities and fund balance		<u>\$ 1,054,721</u>

GENOA TOWNSHIP  
 GRAND RIVER ROAD DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 67,447	\$
Special assessments - interest		63,707	
Interest - investments		656	
Total revenues	<u>130,532</u>	<u>131,810</u>	<u>1,278</u>
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		62,864	
Agent fees		680	
Total expenditures	<u>143,565</u>	<u>143,544</u>	<u>21</u>
Excess (deficiency) of revenues over (under) expenditures	(13,033)	(11,734)	1,299
FUND BALANCE, JULY 1, 2003	<u>92,414</u>	<u>92,414</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 79,381</u>	<u>\$ 80,680</u>	<u>\$ 1,299</u>

LAKE EDGEWOOD  
WEST WATER  
DEBT SERVICE  
FUND

GENOA TOWNSHIP  
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 202,788
Special assessments receivable	<u>2,472,035</u>

Total assets	<u>\$ 2,674,823</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 2,472,035
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FUND BALANCE

<u>202,788</u>
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Total liabilities and fund balance	<u>\$ 2,674,823</u>
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GENOA TOWNSHIP  
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 166,912	\$
Special assessments - interest		178,392	
Interest - investments		<u>1,107</u>	
Total revenues	<u>335,561</u>	<u>346,411</u>	<u>10,850</u>
EXPENDITURES			
Bond repayments			
Principal		170,000	
Interest		162,818	
Professional fees		<u>450</u>	
Total expenditures	<u>333,318</u>	<u>333,268</u>	<u>50</u>
Excess (deficiency) of revenues over (under) expenditures	2,243	13,143	10,900
FUND BALANCE, JULY 1, 2003	<u>189,645</u>	<u>189,645</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 191,888</u>	<u>\$ 202,788</u>	<u>\$ 10,900</u>

MARION HOWELL OCEOLA GENOA  
PLANT EXPANSION  
DEBT SERVICE  
FUND

GENOA TOWNSHIP  
MARION HOWELL OCEOLA GENOA PLANT EXPANSION  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,276,213

FUND BALANCE

FUND BALANCE

\$ 1,276,213

GENOA TOWNSHIP  
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest - income	\$ 28,000	\$ 15,141	\$ (12,859)
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		56,364	
Miscellaneous		323	
Professional fees		150	
Total expenditures	<u>136,870</u>	<u>136,837</u>	<u>33</u>
Excess (deficiency) of revenues over expenditures	(108,870)	(121,696)	(12,826)
FUND BALANCE, JULY 1, 2003	<u>1,397,909</u>	<u>1,397,909</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 1,289,039</u>	<u>\$ 1,276,213</u>	<u>\$ (12,826)</u>

GENOA - OCEOLA  
PLANT EXPANSION  
DEBT SERVICE FUND

GENOA TOWNSHIP  
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 2,210,890

FUND BALANCE

FUND BALANCE

\$ 2,210,890

GENOA TOWNSHIP  
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES		
Interest		\$ 9,093
EXPENDITURES		
Debt		
Principal	59,339	
Interest	<u>38,864</u>	
Total expenditures		<u>98,203</u>
Excess (deficiency) of revenues over (under) expenditures		(89,110)
OTHER FINANCING SOURCES		
Transfer in		<u>2,300,000</u>
Excess (deficiency) of revenues over (under) expenditures and other financings sources		2,210,890
FUND BALANCE, JULY 1, 2003		<u>          </u>
FUND BALANCE, JUNE 30, 2004		<u>\$ 2,210,890</u>

GRAND RIVER WATER  
NEW USER CAPITAL  
PROJECT FUND



GENOA TOWNSHIP  
GRAND RIVER WATER NEW USER CAPITAL  
PROJECT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Due from MHOG Authority

\$ 2,142,906  
150,000

Total assets

\$ 2,292,906

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

1,688

FUND BALANCE

2,291,218

Total liabilities and fund balance

\$ 2,292,906

GENOA TOWNSHIP  
GRAND RIVER WATER NEW USER CAPITAL  
PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

New user tap - in fees	\$ 659,058	
Interest income	<u>27,208</u>	

Total revenues		\$ 686,266
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EXPENDITURES

Expansion costs	600,000	
Professional services	<u>9,133</u>	

Total expenditures		<u>609,133</u>
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Excess (deficiency) of revenues over expenditures		77,133
--	--	--------

FUND BALANCE, JULY 1, 2003		<u>2,214,085</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2004		<u>\$ 2,291,218</u>
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GENOA-OCEOLA PHASE I SEWER  
NEW USER CAPITAL  
PROJECT FUND

GENOA TOWNSHIP  
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL  
PROJECT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,467,445

Due from G/O SWATH

31,000

Total assets

\$ 1,498,445

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 938

FUND BALANCE

1,497,507

Total liabilities and fund balance

\$ 1,498,445

GENOA TOWNSHIP  
 GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL  
 PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

New user tap - in fees	\$ 649,140	
Interest income	<u>36,627</u>	

Total revenues		\$ 685,767
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EXPENDITURES

Professional services	5,301	
Interest	37,077	
Miscellaneous	<u>323</u>	

Total expenditures		<u>42,701</u>
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Excess (deficiency) of revenues over (under) expenditures		643,066
--	--	---------

OTHER FINANCING SOURCES (USES)

Transfer (out)		<u>(2,300,000)</u>
----------------	--	--------------------

Excess (deficiency) of revenues over (under) expenditures and other financing (uses)		(1,656,934)
--	--	-------------

FUND BALANCE, JULY 1, 2003		<u>3,154,441</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2004		<u>\$ 1,497,507</u>
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GENOA-OCEOLA PHASE II  
SEWER NEW USER CAPITAL  
PROJECT FUND

GENOA TOWNSHIP  
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL  
PROJECT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,800,602

FUND BALANCE

FUND BALANCE

\$ 1,800,602

GENOA TOWNSHIP  
 GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL  
 PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

New user tap - in fees	\$ 233,088	
Interest	<u>20,739</u>	

Total revenues		\$ 253,827
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EXPENDITURES

Refund	16,131	
Professional services	<u>2,300</u>	

Total expenditures		<u>18,431</u>
--------------------	--	---------------

Excess (deficiency) of revenues over expenditures		235,396
--	--	---------

FUND BALANCE, JULY 1, 2003		<u>1,565,206</u>
----------------------------	--	------------------

FUND BALANCE, JUNE 30, 2004		<u>\$ 1,800,602</u>
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DORR ROAD  
WATER AND SEWER  
CONSTRUCTION FUND

GENOA TOWNSHIP  
DORR ROAD WATER AND SEWER CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 2,101

FUND BALANCE

FUND BALANCE

\$ 2,101

GENOA TOWNSHIP  
DORR ROAD WATER AND SEWER CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES		
Interest income		\$ 18
EXPENDITURES		
Professional fees	\$ 5,122	
Construction	<u>16,868</u>	
Total expenditures		<u>21,990</u>
Excess (deficiency) of revenues over (under) expenditures		(21,972)
FUND BALANCE, JULY 1, 2003		<u>24,073</u>
FUND BALANCE, JUNE 30, 2004		<u>\$ 2,101</u>

GRAND RIVER ROAD CONSTRUCTION  
CAPITAL PROJECT FUND

GENOA TOWNSHIP  
GRAND RIVER ROAD CONSTRUCTION CAPITAL PROJECT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 12,074

FUND BALANCE

FUND BALANCE

\$ 12,074

GENOA TOWNSHIP  
GRAND RIVER ROAD CONSTRUCTION CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

Interest

\$ 24

EXPENDITURES

Excess (deficiency) of revenues over expenditures

24

FUND BALANCE, JULY 1, 2003

12,050

FUND BALANCE, JUNE 30, 2004

\$ 12,074

LAKE EDGEWOOD -  
WEST WATER  
CONSTRUCTION CAPITAL PROJECT  
FUND

GENOA TOWNSHIP  
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 13,719

FUND BALANCE

FUND BALANCE

\$ 13,719



GENOA TOWNSHIP  
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND  
STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES

Interest income

\$ 43

Miscellaneous

4,700

Total revenues

\$ 4,743

EXPENDITURES

Professional services

5,000

Excess (deficiency) of revenues over (under) expenditures

(257)

FUND BALANCE, JULY 1, 2003

13,976

FUND BALANCE, JUNE 30, 2004

\$ 13,719

OAK POINTE  
WATER AND SEWER SYSTEMS  
FUND

GENOA TOWNSHIP  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 32,946
Accounts receivable - operations	127,368
Due from other funds	4,459
Due from others	<u>63,879</u>

Total current assets

\$ 228,652

RESTRICTED ASSETS

Cash and cash equivalents - future improvements	990,959
Cash and cash equivalents - debt service	1,023,040
Investments - debt service	58,140
Special assessments receivable	<u>2,070,857</u>

Total restricted assets

4,142,996

PROPERTY, PLANT AND EQUIPMENT

Land	358,855
Water system	3,122,821
Sewer system	8,645,219
Construction in progress	<u>140,816</u>
	12,267,711
Less accumulated depreciation	<u>2,960,997</u>

Net property, plant and equipment

9,306,714

Total assets

\$ 13,678,362

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 28,504
Due to other funds	<u>20,524</u>

Total current liabilities

\$ 49,028

CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - Homestead	40,000
Current portion - special assessment bonds - Tri-Lakes	155,000
Current portion - special assessment bonds refunding - Water improvement system	60,000
Current portion - special assessment bonds - NE Tri-Lakes	<u>35,000</u>

Total current liabilities (from restricted assets)

290,000

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - Homestead	90,000
Special assessment bonds - Tri-Lakes	1,085,000
Special assessment bonds (refunding) - Water improvement system	615,000
Special assessment bonds - NE Tri-Lakes	<u>365,000</u>

Total long-term liabilities (from restricted assets)

2,155,000

Total liabilities

2,494,028

FUND EQUITY

Retained earnings - reserved	10,678,540
Retained earnings - unreserved	<u>505,794</u>

Total fund equity

11,184,334

Total liabilities and fund equity

\$ 13,678,362

GENOA TOWNSHIP  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2003	\$ 10,867,217	\$ 463,235	\$ 11,330,452
Depreciation expense	(286,959)		(286,959)
Operating income excluding connection fees and depreciation expense		40,083	40,083
Connection fees	174,199		174,199
Interest income - special assessments and reserves	136,321		136,321
Interest income - operations		1,843	1,843
Interest expense - bonds	(182,174)		(182,174)
Other revenue and (expense), net	<u>(30,064)</u>	<u>633</u>	<u>(29,431)</u>
ENDING BALANCES JUNE 30, 2004	<u>\$ 10,678,540</u>	<u>\$ 505,794</u>	<u>\$ 11,184,334</u>

GENOA TOWNSHIP  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUE

User charges	\$ 614,571
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OPERATING EXPENSES

Repairs, maintenance and supplies	127,015
Contracted labor	225,463
Out of scope - contract labor	15,214
Utilities and telephone	83,501
Administration	37,546
Professional fees	34,784
Insurance	10,911
Meter reading	17,860
Groundwater exceedance expenses	22,194
Depreciation	<u>286,959</u>

Total operating expenses	<u>861,447</u>
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Operating (loss)	<u>(246,876)</u>
------------------	------------------

NON-OPERATING REVENUES AND (EXPENSES)

Connecting fees	174,199
Interest income - special assessments	113,183
Interest income - reserved accounts	23,138
Interest income - general	1,843
Other revenue	1,834
Other expenses	(1,201)
Interest fees expense - bonds	<u>(212,238)</u>

Total non-operating revenues	<u>100,758</u>
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Net (loss)	<u>\$ (146,118)</u>
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GENOA TOWNSHIP  
OAK POINTE – WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –  
EXCLUDING TAP-IN FEES AND DEPRECIATION  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 205,751	\$ 408,820	\$ 614,571
EXPENSES			
Repairs, maintenance and supplies	44,680	82,335	127,015
Contracted labor	58,816	166,647	225,463
Out of scope – contract labor	12,852	2,362	15,214
Utilities and telephone	26,331	57,170	83,501
Administration	18,773	18,773	37,546
Professional fees	30,734	4,050	34,784
Insurance	4,689	6,222	10,911
Groundwater exceedance expenses		22,194	22,194
Meter reading	8,930	8,930	17,860
Total expenses	<u>205,805</u>	<u>368,683</u>	<u>574,488</u>
Net revenues over (under) expenses	<u>\$ (54)</u>	<u>\$ 40,137</u>	<u>\$ 40,083</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

GENOA TOWNSHIP  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	\$ 814,117	
Payments to vendors	<u>(631,924)</u>	
Net cash from operating activities		\$ 182,193
CASH FLOW FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds From bond	675,000	
Repayment of principal on bonds	(1,685,000)	
Special assessment collections	308,298	
Interest received from special assessments and reserved accounts	136,321	
Interest paid on bonds	(182,174)	
Bond issuance costs	<u>(30,064)</u>	
Net cash (used in) capital and related investing activities		(777,619)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received from operating fund	1,843	
Other revenue (expenses) net	633	
Proceeds from investments	99,918	
Additions to systems	<u>(140,816)</u>	
Net cash (used in) investing activities		<u>(38,422)</u>
Net (decrease) in cash and cash equivalents		(633,848)
CASH AND CASH EQUIVALENTS AT JULY 1, 2003		<u>2,680,793</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2004		<u>\$ 2,046,945</u>



GENOA TOWNSHIP  
OAK POINTE - WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF OPERATIONS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges			
Interest	\$ 575,000	\$ 614,571	\$ 39,571
Tap in fees	29,500	24,981	(4,519)
Transfer from reserves	(35,000)	174,199	209,199
Assessment collections and interest from assessments	50,000		(50,000)
Other	369,877	421,481	51,604
Bond proceeds	7,000	1,834	(5,166)
	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
Total revenue and receipts	<u>\$ 996,377</u>	<u>\$ 1,912,066</u>	<u>\$ 915,689</u>
EXPENSES AND DISBURSEMENTS			
Repairs, maintenance and supplies	\$ 95,000	\$ 127,015	\$ (32,015)
Contracted labor	256,000	225,463	30,537
Out of scope - contract labor	50,000	15,214	34,786
Groundwater exceedance expenses	35,000	22,194	12,806
Utilities and telephone	90,000	83,501	6,499
Administration	35,000	37,546	(2,546)
Professional fees	17,700	34,784	(17,084)
Insurance	19,000	10,911	8,089
Meter reading		17,860	(17,860)
Bond principal and interest	476,305	1,867,174	(1,390,869)
Capital purchases	30,000	140,816	(110,816)
Other expenses	3,000	1,201	1,799
Total expenses and disbursements	<u>\$ 1,107,005</u>	<u>\$ 2,583,679</u>	<u>\$ (1,476,674)</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

LAKE EDGEWOOD  
WATER AND SEWER SYSTEMS  
FUND

GENOA TOWNSHIP  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 103,234
Accounts receivable - operations	121,486
Due from other funds	<u>2,117</u>

Total current assets

\$ 226,837

RESTRICTED ASSETS

Cash and cash equivalents - debt service	848,810
Cash and cash equivalents - future improvements	631,793
Special assessments receivable	3,900,612
Contract receivable - City of Brighton	<u>223,600</u>

Total restricted assets

5,604,815

PROPERTY, PLANT AND EQUIPMENT

Land	259,009
Sewer system	<u>7,448,249</u>
	7,707,258
Less accumulated depreciation	<u>957,202</u>

Net property, plant and equipment

6,750,056

Total assets

\$ 12,581,708

## LIABILITIES AND FUND EQUITY

### CURRENT LIABILITIES

Accounts payable	\$ 20,522
Due to other funds	<u>3,047</u>

Total current liabilities

\$ 23,569

### CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - phase I	95,000
Current portion - special assessment bonds - phase II	15,000
Current portion - special assessment bonds - phase III	15,000
Current portion - contract payable (Liv.Cty.) - extension of water	25,000
Current portion - contract payable (Liv. Cty) - sewer west extension	<u>265,000</u>

Total current liabilities (from restricted assets)

415,000

### LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - phase I	450,000
Special assessment bonds - phase II	150,000
Special assessment bonds - phase III	160,000
Contract payable (Liv.Cty.) - extension of water	310,000
Contract payable (Liv. Cty.) - sewer west extension	<u>3,975,000</u>

Total long-term liabilities (from restricted assets)

5,045,000

Total liabilities

5,483,569

### FUND EQUITY

Retained earnings - reserved	6,989,605
Retained earnings - unreserved	<u>108,534</u>

Total fund equity

7,098,139

Total liabilities and fund equity

\$ 12,581,708

GENOA TOWNSHIP  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2003	\$ 7,064,426	\$ (31,546)	\$ 7,032,880
Prior period adjustment			
Transfer		28,163	28,163
Depreciation expense	(100,000)	100,000	
Connection fees	(150,212)		(150,212)
Operating excluding depreciation expense	194,697		194,697
Interest income - general		10,705	10,705
Interest income - special assessments	1,330	845	2,175
Interest expense - bonds	305,018		305,018
Other revenue/expense	(324,904)		(324,904)
	<u>(750)</u>	<u>367</u>	<u>(383)</u>
ENDING BALANCES JUNE 30, 2004	<u>\$ 6,989,605</u>	<u>\$ 108,534</u>	<u>\$ 7,098,139</u>

GENOA TOWNSHIP  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUE

User charges

\$ 316,203

OPERATING EXPENSES

Repairs, maintenance and supplies

31,890

Contracted labor

101,295

Out of scope-contract labor

2,361

Meter reading

3,755

Utilities and telephone

41,740

Administration

11,102

Professional fees

17,665

Insurance

2,885

Purchases of water - City of Brighton

76,034

Groundwater exceedance expenses

16,771

Depreciation expense

150,212

Total operating expenses

455,710

Operating (loss)

(139,507)

NON-OPERATING REVENUES AND (EXPENSES)

Connection fees

194,697

Interest income - special assessments

305,018

Interest income - general

2,175

Interest expense - bonds

(324,904)

Other expense

(383)

Total non-operating revenues

176,603

Net income

\$ 37,096

GENOA TOWNSHIP  
LAKE EDGEWOOD – WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –  
EXCLUDING TAP-IN FEES AND DEPRECIATION  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 88,307	\$ 227,896	\$ 316,203
EXPENSES			
Repairs, maintenance and supplies	852	31,038	31,890
Contracted labor		101,295	101,295
Out of scope – contract labor	950	1,411	2,361
Utilities and telephone		41,740	41,740
Administration	5,551	5,551	11,102
Professional fees	1,950	15,715	17,665
Insurance		2,885	2,885
Purchases of water – City of Brighton	76,034		76,034
Groundwater exceedance expenses		16,771	16,771
Meter reading	1,877	1,878	3,755
Total expenses	87,214	218,284	305,498
Net revenues over (under) expenses	\$ 1,093	\$ 9,612	\$ 10,705

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

GENOA TOWNSHIP  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash from users	\$ 471,844
Cash paid to vendors	<u>(279,830)</u>
Net cash from operating activities	\$ 192,014
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of principal on bonds	(405,000)
Special assessment collections - principal	336,374
Collections City of Brighton - contract receivables	17,200
Interest received on special assessments	305,018
Interest paid on bonds	<u>(324,904)</u>
Net cash (used in) capital and related financing activities	(71,312)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income from investments	<u>2,175</u>
Net increase in cash and cash equivalents	122,877
CASH AND CASH EQUIVALENTS AT JULY 1, 2003	<u>1,460,960</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2004	<u>\$ 1,583,837</u>



GENOA TOWNSHIP  
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF OPERATIONS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges	\$ 320,000	\$ 316,203	\$ (3,797)
Interest	12,250	2,175	(10,075)
Connection fees		194,697	194,697
Assessment collections and interest from assessments	619,676	641,392	21,716
Other	6,000		(6,000)
Transfer in from reserves	<u>100,000</u>		<u>(100,000)</u>
Total revenue and receipts	<u>\$ 1,057,926</u>	<u>\$ 1,154,467</u>	<u>\$ 96,541</u>
EXPENSES AND DISBURSEMENTS			
Repairs, maintenance and supplies	\$ 40,000	\$ 31,890	\$ 8,110
Contracted labor	140,000	101,295	38,705
Out of scope-contract labor	10,000	2,361	7,639
Groundwater exceedance expenses	50,000	16,771	33,229
Utilities	36,000	41,740	(5,740)
Administration	11,000	11,102	(102)
Professional fees	11,200	17,665	(6,465)
Insurance	6,500	2,885	3,615
Debt principal and interest	730,679	729,904	775
Miscellaneous	3,000	383	2,617
Purchases of water - City of Brighton	75,000	76,034	(1,034)
Capital purchases	<u>20,000</u>		<u>20,000</u>
Total expenses and disbursements	<u>\$ 1,133,379</u>	<u>\$ 1,032,030</u>	<u>\$ 101,349</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

PINE CREEK  
WATER AND SEWER SYSTEMS  
FUND

GENOA TOWNSHIP  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 186,308
Accounts receivable - operations	58,243
Due from other funds	<u>2,568</u>

Total current assets

\$ 247,119

RESTRICTED ASSETS

Cash - debt service	176,360
Special assessments receivable	<u>293,966</u>

Total restricted assets

470,326

Total assets

\$ 717,445

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 36,105
Due to other funds	2,921
Due to City of Brighton	<u>38,880</u>

Total current liabilities

\$ 77,906

CURRENT LIABILITIES (from restricted assets)

Current portion - contract payable - City of Brighton

69,660

LONG-TERM LIABILITIES (from restricted assets)

Contract payable - City of Brighton

348,300

Total liabilities

495,866

FUND EQUITY

Retained earnings - reserved

116,465

Retained earnings - unreserved

105,114

Total fund equity

221,579

Total liabilities and fund equity

\$ 717,445

GENOA TOWNSHIP  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2003	\$ 113,919	\$ 60,831	\$ 174,750
Operating income		40,187	40,187
Interest income - operations		1,529	1,529
Interest income - special assessments	2,546		2,546
Other revenue		2,567	2,567
ENDING BALANCES JUNE 30, 2004	<u>\$ 116,465</u>	<u>\$ 105,114</u>	<u>\$ 221,579</u>

GENOA TOWNSHIP  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUE

User charges

\$ 239,400

OPERATING EXPENSES

Water - sewer usage

\$ 182,860

Administration

10,488

Professional fees

950

Miscellaneous

65

Repairs

333

Meter reading

4,517

Total operating expenses

199,213

Operating income

40,187

NON-OPERATING REVENUES

Interest income - operations

1,529

Interest income - special assessments

2,546

Other revenue

2,567

Total non-operating revenues

6,642

Net income

\$ 46,829

GENOA TOWNSHIP  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash from users	\$ 203,017
Cash paid to vendors	<u>(124,599)</u>
Net cash from operating activities	\$ 78,418
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments collections	66,842
Interest received from special assessments	2,546
Payment on contract payable - City of Brighton	<u>(69,660)</u>
Net cash (used in) capital and related financing activities	(272)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	
Interest received from operating fund	<u>1,529</u>
Net increase in cash and cash equivalents	79,675
CASH AND CASH EQUIVALENTS AT JULY 1, 2003	<u>282,993</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2004	<u>\$ 362,668</u>

GENOA TOWNSHIP  
PINE CREEK - WATER AND SEWER SYSTEMS FUND  
SCHEDULE OF OPERATIONS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges	\$ 155,000	\$ 239,400	\$ 84,400
Interest and miscellaneous	11,000	6,642	(4,358)
Assessment collections	<u>60,135</u>	<u>66,842</u>	<u>6,707</u>
Total revenue and receipts	<u>\$ 226,135</u>	<u>\$ 312,884</u>	<u>\$ 86,749</u>
EXPENSES AND DISBURSEMENTS			
Water - sewer usage	\$ 145,000	\$ 182,860	\$ (37,860)
Administration	9,000	10,488	(1,488)
Professional fees	1,600	950	650
Payment on contract payable - City of Brighton	69,660	69,660	
Repairs	7,500	333	7,167
Meter reading		4,517	(4,517)
Miscellaneous		<u>65</u>	<u>(65)</u>
Total expenses and disbursements	<u>\$ 232,760</u>	<u>\$ 268,873</u>	<u>\$ (36,113)</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.



DEPOSIT TRUST  
FUND

GENOA TOWNSHIP  
DEPOSIT TRUST FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

Cash and investments  
Due from other funds

\$ 322,819  
1,716

Total assets

\$ 324,535

ASSETS

LIABILITIES

Deposits

\$ 324,535

LIABILITIES

CURRENT TAX  
FUND

GENOA TOWNSHIP  
CURRENT TAX FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 1,373

LIABILITIES

LIABILITIES

Due to general fund

\$ 1,373

TRUST AND AGENCY  
FUND

GENOA TOWNSHIP  
TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 367

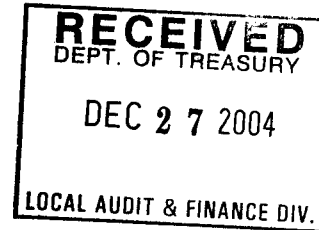
LIABILITIES

LIABILITIES

Due to other funds

\$ 367

November 1, 2004



Honorable Board of Trustees  
Genoa Township  
2911 Dorr Road  
Brighton, Michigan 48116

Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2004 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. State Shared Revenues

Because of the slow down in the state's economy, Genoa Township as well as other Townships are feeling the effects in state shared revenue receipts. For the year ended June 30, 2004, state shared revenues accounted for over 30% of Genoa's general fund revenues. State shared revenues decreased over \$100,000 for Genoa Township for the year ending June 30, 2004 compared to the prior year. Thus, we continue to caution management to keep a conservative attitude toward state shared revenue estimates when compiling your budgets in future years.

2. Advances for Conference and Seminar Participants

We noticed various advances were paid to employees for governmental conferences or seminars prior to the event. No accounting could be provided on where the advances were spent. The Township should consider adopting a policy which requires the employee to provide an accounting of where the advances were spent.

3. Construction Funds - Completion of Projects

As of June 30, 2004 there were three construction funds which had immaterial amounts of money remaining since the related projects were completed. The funds should be closed out and the monies should be transferred to the related debt service funds. The funds are as follows:

- Dorr Road Water and Sewer
- Grand River Road
- Lake Edgewood West Water

4. Refuse Fees

Over the past several years the Township's general fund has been subsidizing refuse costs at an increasing amount. The Township should consider increasing the annual fee charged to residents to help reduce the subsidy paid by the general fund.

This letter does not affect our report dated November 1, 2004, on the financial statements of Genoa Township.

The comments are not intended to be a criticism of any department or any one individual.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees and management of Genoa Township and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants